# Daily Report

# Latin America

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## Latin America

*FBIS-LAT-88-062* *31 March 1988*

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## SELA Document on Panamanian Situation

*PA302355 Panama City Televisora Nacional in Spanish 0300 GMT 30 Mar 88*

["Decision" approved by the SELA Latin American Council at meeting in Caracas on 29 March; read by Ecuadoran Foreign Minister Rafael Garcia Velasco—recorded]

[Text] In view of Decisions 112 and 113 of the SELA Latin American Council on coercive economic measures; the relevant provisions of the UN and OAS Charters; the request presented by the Panamanian Government to the SELA Permanent Secretariat on 18 March 1988 so that, in compliance with Decision 113, an urgent special meeting of the SELA Latin American Council would be held at the ministerial level—a request in which that country listed the coercive economic measures being applied against it and in which it expressed its sovereign will to resolutely strengthen its democratic system; and Decisions 115, 189, and 269 on the 1977 Panama Canal Treaties; and

Whereas self-determination and noninterference in the domestic affairs of countries are fundamental principles in international relations; the United States is applying coercive economic measures against Panama that cause great harm to the Panamanian people; these coercive economic measures are contrary to international law and incompatible with the UN and OAS Charters; Decision 112 of the SELA Latin American Council condemns the application of coercive measures and demands the elimination of economic embargos and blockades, of the freezing of funds, of the suspension of credits, and of other measures; and the solidarity of Latin America and the Caribbean is a basic condition for strengthening Latin American self-determination and sovereignty;

The SELA Latin American Council decides:

1. To reaffirm the sovereign right of all nations to decide their own economic, social, and political destiny in peace and liberty, free of foreign pressures, aggressions, and threats.

2. To reiterate the condemnation, contained in Article 3 of Decision 112, of the application of coercive economic measures against any SELA member state, because these measures threaten the state's sovereignty and economic security and are an attack on its right to independent development.

3. To therefore repudiate the coercive economic measures taken by the U.S. Government against Panama, which affect the autonomy and threaten the economic security of this member state and which create a situation of grave economic crisis as established in Article 1 of Decision 113.

4. To urge the U.S. Government to immediately revoke the coercive measures it has taken against Panama.

5. To view with a spirit of solidarity the Panamanian Government's request for aid as presented in the document, The Republic of Panama's Request for Economic Cooperation, SL-6E-DP No 2, and to charge the SELA Permanent Secretariat with promoting and coordinating consultations with the member states on the necessary actions and measures.

6. To take note of Document SL-6E-DI No 1, presented to the Sixth Extraordinary Meeting of the SELA Latin American Council by the Panamanian Government, in which it reaffirms and confirms its commitment to resolutely strengthen its democratic system.

7. To reaffirm that the strict fulfillment of the 1977 Panama Canal Treaties is necessary and to urge the U.S. Government to respect the agreements contained therein.

## Cuba

### USSR's Adamishin on Meeting With Castro

*FL310332 Havana Television Service in Spanish 0000 GMT 31 Mar 88*

[Text] Fidel Castro Ruz, first secretary of the PCC, has received Anatoliy Adamishin, Soviet deputy foreign minister, who formed part of the USSR delegation that participated in the recent Soviet-U.S. negotiations held in Washington.

Adamishin came to our country as a special envoy from the Soviet leadership to inform Cuban authorities on the results of Soviet Foreign Minister Eduard Shevardnadze's recent visit to Washington.

The deputy foreign minister left our country today. Giraldo Mazola, vice foreign minister, and Luis Felipe Vazquez, section chief of the Foreign Relations Department of the PCC Central Committee, bid Adamishin farewell. (Vladimir Kisilov), adviser-minister of the USSR Embassy in Cuba, was also present.

Before leaving, Adamishin granted an interview to Cuban television.

[Begin recording] [Unidentified reporter] Deputy Minister, as we understand it, you held extensive talks with Commander in Chief Fidel Castro. We would like to know about the main points of the talks and your personal impressions of him.

[Adamishin, in Russian with simultaneous translation into Spanish] The talks dealt with matters discussed by the foreign ministers in Washington. They include security matters such as the signing of the agreement on the reduction of long-range nuclear missiles under the condition that the [words indistinct] agreement continues in effect. It deals with the ban on chemical weapons, nuclear testing, reduction of conventional weapons, and the limitation of naval fleet actions.

Great attention was given to regional conflicts, such as Afghanistan, the war between Iran and Iraq, and the situation in Central America, the Far East, and South Africa. The identical position of the Soviet Union and the Republic of Cuba was confirmed during the talks, namely, aspiration toward a political solution, with political methods, of these conflicts. It can be understood that special attention was given to the problems of South Africa.

I have a very strong impression of the meeting. It was a lesson for me. For the first time in my life, I had the opportunity to meet with Comrade Fidel. Not only is he a person who is known throughout the world, but he is also a legendary figure. [end recording]

### Rafael Rodriguez Meets With CEMA Delegates

*FL281117 Havana Radio Progreso Network in Spanish 1100 GMT 26 Mar 88*

[Text] Vice President Carlos Rafael Rodriguez has met in Havana with government representatives from the CEMA coordination committee for the construction of Las Camariocas nickel plant.

The Cuban official referred to the importance of the project and described it as the most important one carried out by socialist countries in a non-European country.

### Castro Praises Handicapped Association's Work

*FL281038 Havana Radio Progreso Network in Spanish 1100 GMT 26 Mar 88*

[Text] Commander in Chief Fidel Castro has sent a letter to the Cuban Association for the Physically Handicapped [Aclifim], which held its annual assessment meeting yesterday.

The letter conveys the appreciation of the party and state organs for Aclifim's work to incorporate its members into a full social life. The letter also expresses support for such a noble cause.

### AIDS Program To Air Over Camaguey Television

*FL301849 Havana Tele-Rebelde Network in Spanish 1700 GMT 30 Mar 88*

[Text] Some of our health programs throughout the country involve the detection of infectious-contagious diseases.

Camaguey television will air a program on 2 April devoted to the topic "The AIDS Situation," with the participation of Dr Hector Terry Molinet, vice minister of public health, and local epidemiologists. A dialogue with newsmen and the public will take place during the program.

The basic objective of this exchange with the public is to report on AIDS prevention, the work underway in the country to control the disease, and the causes that lead to contagion. It should be noted that the AIDS virus has not been detected in blood donations made this year, and blood analyses are being performed for women in their first 3 months of pregnancy, as well as for the rest of the population, to test for AIDS. All provinces have the (Micro-Elisa) laboratory equipment for this purpose. There are three such places in Camaguey: the blood bank and the epidemiology centers in Camaguey and Nuevitas municipalities.

This kind of program is being aired for the first time over provincial television in order to provide the people with all the necessary answers.

## Haiti

### Manigat Speaks on Constitution Anniversary

*FL292255 Port-au-Prince Radio Nationale in French 1600 GMT 29 Mar 88*

[Speech by President Leslie Manigat on the occasion of the 1st anniversary of the Constitution of 1987, given at the National Palace in Port-au-Prince—live]

[Excerpts] Brethern of this beloved fatherland, we are here today, 29 March 1988, celebrating the 1st anniversary of the ratification by the Haitian people of the Constitution of 29 March 1987. [passage omitted]

I would like, straight off, to make two observations concerning the massive ratification of this Constitution. First, I would like to call to mind, in order to make well understood the evolution and the nuances of the Haitian political reality, that the Constitutional Assembly was not favored by the people, but the Constitution itself was. There is, in this fact, a lesson that should not be forgotten. At the same time, dynamic change must always be taken into account in politics, particulary in Haitian politics.

The second observation is that this Constitution, ratified by an overwhelming majority of voters, had nevertheless suffered the same fate as many elections. There was a rather high percentage of abstention. But of course, this in no way affects the celebrated legitimacy of this Constitution, which has been expressed in an indisputable manner, making the Constitution the fundamental charter of the new Haitian democracy.

I said fundamental charter on purpose because it has seemed to me—perhaps erroneously—that in certain Creole translations, there has been an attempt to make the Constitution the country's baptismal certificate or birth certificate. Not at all. Rather, it constitutes the birth certificate of a new democracy. It is a reformulation of the social contract. This reformulation takes into account the desire for change expressed by the Haitian people, a desire that was expressed in an equally explosive manner by the Haitian masses on 7 February 1986. [passage omitted]

I think it is important to insist on this constitutional function, on this role of the constitution, and on this investment of the capital of change made by the people in our fundamental charter. Here we mean change because there had been a crisis, change as a response to the crisis.

In this connection, I would like to call to mind a distinction that I have always considered instructive as regards constitutions.

When confronting a crisis, there are, on the one hand, constitutions with the aim of being revolutionary. Those constitutions, having as an aim effecting a change from the past, worry little about adapting to concrete realities; they are constitutions which merely hurtle toward a future that must be created. Examples, from our history, are the Constitutions of 1806 and 1843. These two Constitutions, whose writers were visionaries acting under a liberal impulsion, nevertheless ended in failure. To take only the first as example, it led, on the one hand, to the monarchical authoritarianism of Christophe and, on the other hand, to the republican authoritarianism of Alexandre Petion.

In contrast, there are those created vis-a-vis a crisis, constitutions that desire change but seek, at the same time, stabilization. There are stabilizing constitutions such as, for example, the Constitutions of 1889 and 1950. Here, the authors are mainly managers. These Constitutions generally—with the exception of the Constitution of 1950—ensure, precisely, a period of political stability. Such was the case with the Constitution of 1889.

Our Constitution of 1987 is torn [hesite] between the two. On the one hand, it has aspects, dimensions, that are characteristic of revolutionary aspirations, without necessarily taking concrete realities into account, projecting the ideal of a change into the future. On the other hand, it also has management aspects, aspects of stabilization.

This hesitation—undoubtedly deliberate, be it on a subconscious level, on the part of its writers—imbues the Constitution with what has sometimes been called ambiguity, but what I prefer to call ambivalence, for ambivalence is richer than ambiguity.

What is important for us on this 1st anniversary is to properly note the spirit of the Constitution of 1987. It is the Constitution's spirit that is of real importance. Even at the risk of appearing provocative to the partisans of juridical formalism, I would like to say that often the spirit of a constitution is more important than the letter because the spirit of a constitution deals with a social plan, with the rules of the social contract. [passage omitted]

It is of capital importance to understand the spirit of a constitution. Now, our Constitution, the one we all cherish, the one we have sworn to apply, advocates innovation vis-a-vis the crisis, innovation in the form of an antidote to dictatorship. I think that is the basic spirit of the Constitution of 1987 and that is why we democrats rejoice in the basic nature of the Constitution, which seeks to be, first and foremost, a charter against dictatorship. [passage omitted]

That is why, while there is rejection of a completely presidential system, there is not total recourse to parliamentarianism. This rejection of a completely presidential system places us in a very peculiar position because this is the only example on the continent [as heard] of a passage from dictatorship to democracy that has not maintained a republican system. [passage omitted]

This puts us in a most singular position and, at the same time, places great responsibility on our shoulders, as regards the management of the affairs of state.

Antidictatorship also means—and this is not stressed sufficiently—being against dictatorship by an assembly. The writers of the Constitution were so much against dictatorship by an assembly that they rejected parliamentarianism, which is not dictatorship by an assembly but which might, conceivably, lead to that. [passage omitted]

The novelty, the peculiarity, the difficulty, of our Constitution lies in the fact that it is a Constitution of a mixed nature. Thus, to apply this Constitution requires an effort on the part of us all, a loyal effort made with a view to solving problems, a loyal effort made with a view to respecting the spirit and, at the same time, and to the extent that it is possible, the letter of this Constitution. [passage omitted]

It is important to note that we do not have in our history precedents to follow in forging the new paths. We are thus constantly obliged to take unprecedented action. I emphasize this point because, 1 year after the ratification of the Constitution, we are still in the process of learning, in a breaking-in period. That is why the application of and respect for the Constitution must be the appanage not only of the government—which everyone knows guarantees, with absolute certainty and without a shadow of a doubt, that the Constitution will be applied—but also of the entire community, of the civilian society, of the governed. I would even go so far as to say this applies most particularly to that sector of the governed that claims to constitute the opposition but that must, as an opposition, respect the rules of the democratic game. To refuse to accept normal critical dialogue during the 5 years of the presidential mandate does not constitute respecting the rules of the game. The opposition should wait and try its luck through elections at the end of the 5-year mandate rather than engaging in subversion or terrorism in an attempt to overthrow a constitutional government. [passage omitted]

I think that it should be recalled, on this 1st anniversary, that the writers of our Constitution sought to establish, through the separation of powers, not conflictual—much less antagonistic—relations between the different powers, but rather relations based on collaboration, bearing in mind the distinct spheres of competence. I believe it is important, with a view to getting democracy off the ground during this learning and breaking-in period, for the different branches of the nation's institutions of power to understand, in year 1 of the new Haitian democracy, this obligation to harmoniously work together, in a spirit of collaboration, to progressively consolidate the nascent Haitian democracy and bring it to maturity by the end of these first 5 years.

This democracy that we must bring to maturity, that we must consolidate, must also be defended.

We too often forget that democracy implies following the rules of the game and the rules of the game very naturally lead, as in a soccer match, to intervention and, sometimes, to sanctions by a referee. I insist on this point: We will not have a truly democratic era in this country if there isn't a succession of 5-year mandates between which there is the beautiful, prestigious ceremony of a peaceful transfer of power.

Thus, our Constitution, which is a vehicle for change the way rain clouds are vehicles for rain, and which we chose to make socialistic and progressive, represents a policy of social reparation that my government, the Government of the Republic, holds especially dear. [passage omitted]

This Constitution is also the expression of Haitian nationalism. [passage omitted] Today again this nationalistic current provides psychological and moral support to the proud people, people who are depressed but who are placing their hopes in their ability to govern themselves—undoubtedly, of course, with the help of friendly nations but seeking to solve their problems through a national formula and not through a formula either dictated or imposed from abroad in any way whatsoever. [passage omitted]

The letter of the Constitution poses different problems, approaches, and perspectives in different ways, depending on the particular part of the Constitution.

As regards the first part, the one we hold most dear and which defines the rights and duties and the freedoms and responsibilities, we here, on the occasion of the Constitution's 1st anniversary, as we have elsewhere earlier, give our guarantee in principle that this government is seeking to apply and to strictly respect the letter of the Constitution. [passage omitted] This part can be applied immediately.

I invite my compatriots to read the Constitution carefully because while this Constitution guarantees public freedoms and human rights, in keeping with a political philosophy which we fully share, it also stipulates the conditions under which these freedoms can be exercised and the responsibilities that go along with the rights.

I will give only one example: Article 28-2 says that it is the journalist's duty to verify the authenticity and veracity of his information. [passage omitted]

A second part of the Constitution has to do with the new organization of the state—of its structures and of new government institutions. Here, things are being set in place progressively. Old institutions are being restructured and new ones are being created. [passage omitted]

The third element is the meeting of society's needs. This is an imperative in the Constitution, part of its programmatics. But this part can only be applied gradually.

I have occasionally turned on the television set to find myself hearing a man of whose good will I am certain saying that the Constitution is being violated each time a citizen cannot find a job. I think that here there is a lack of understanding of what this third part of the Constitution can do because in this case, it is unemployment itself that is viewed as unconstitutional, and thus should disappear (?upon application of) the Constitution. Everyone knows that this does not correspond to our 20th century reality. [passage omitted]

By establishing the fact that these needs must be met, the Constitution issues an imperative which we can execute only gradually. [passage omitted]

Brethern of the beloved fatherland, I have gone into all these considerations so that you will understand what it is to apply the Constitution. For too many people, some out of demagogy, others (?despite) their good will, talk about the Constitution but I am not sure they really know what a constitution is. Our current Constitution is characterized, as it should be, by the juncture of specific, critical circumstances at this particular point in time. Article 291, for example, is a product of this juncture, and is even so defined, for the prohibition on participating in politics is temporary—10 years. [passage omitted]

These, then, are some of the problems the Constitution poses, and which we must solve, not only according to the letter but, in particular, with respect for the spirit of this Constitution because the letter of this Constitution presents difficulties. [passage omitted]

There is also the famous problem of the fact that the Constitution stipulates the requirements for being prime minister, president, deputy, and senator, but not for being a minister. The Constitution is silent on this point. Earlier constitutions stipulated requirements, but not this one. How can there be violation of an article which the writers of the Constitution failed to write, or of requirements they failed to define? [passage omitted]

I would, as always, in all honesty—as a man of good faith and of overtures, as I have perhaps boldly but nevertheless sincerely defined myself—like for us to consider our Constitution an instrument to be used to progressively change life in Haiti and to consider this a breaking-in period, a learning experience, characterized by a desire to apply the Constitution, a period in which slip-ups and gaffes still occur—not on the part of the government, as some hasten to say, but rather on the part of the entire community, in its interpretation of the Constitution and of the will to apply it. [passage omitted] A constitution is what the men who apply it in good faith make of it. [passage omitted]

Let us learn to live together in conformity with the spirit and the letter of our Constitution of 1987. [passage omitted]. On this 1st anniversary of our democratic, nationalistic, and progressive Constitution, let us jointly resolve to use it, despite its imperfections, errors, omissions, and contradictions, to pursue happiness, as set forth in its very preamble. [passage omitted]

Let there be no doubt whatsoever in the mind of any Haitian as to this government's political will to apply the Constitution of 1987, our fundamental charter and the birth certificate of the new Haitian democracy, in this year 1 of the new democratic era promised the Haitian people, the first 5-year period of which we are realizing now. Thank you.

## St Lucia

### Prime Minister Compton Presents 1988-89 Budget

*FL302019 Bridgetown CANA in English 1420 GMT 30 Mar 88*

[Text] Castries, St Lucia, March 30, CANA—St Lucia Prime Minister John Compton Tuesday night presented a record 1988/89 budget of EC287 million dollars (1 EC dol;37 U.S. cents), which he said was designed to promote economic efficiency, and encourage savings and investment. The fiscal package was 21 million more than last year's, with 190 million in recurrent expenditure and capital spending targetted at 97.4 million dollars.

Compton said that 32 million dollars of the capital expenditure will come from local revenue, 29 million from friendly governments and 24 million will be borrowed primarily from the Caribbean Development Bank leaving an unfinanced gap of 11 million. Local revenues, the prime minister said, would provide the bulk of the increased expenditure.

Of the local revenues appropriated, 32 million will be contributed to capital development, in keeping with the declared policy of government that St. Lucia must allocate at least 10 per cent of local revenue as a contribution to capital development. He said that without any significant new tax measures, and with the substantial tax relief proposed in the new income tax bill now before Parliament, the revenues have grown by 231 million or some 15.7 per cent.

In his 130-minute presentation, Compton said that the budget sought to provide for the maintenance of the essential services at an acceptable level, provide for the basic human needs of St. Lucians, and create an infrastructure upon which a sound and progressive economy can be built.

He called on the private sector to take greater risks and be more innovative and enterprising and take advantage of the opportunities created in the field of tourism, manufacturing and the services required for the support of the economy.

Compton described the performance of the banana sector as outstanding, with the industry contributing EC488 million to the economy since 1982. In 1987 alone, the

contribution was 114.5 million or an increase of 300 per cent over 1982. With exports of 112,000 tons valued at 137.1 million the year 1986 was the best ever, he said.

Compton said that unfavourable weather conditions in 1987 resulted in a drop in production of 87,000 tons, and a loss of 23 million dollars in export earnings. This was also reflected in a drop in the growth rate of gross domestic product to an estimated 2.1 per cent from a high of 6 per cent in 1986, the prime minister told Parliament.

He said that tourism has now become the fastest growing industry in St. Lucia and the second largest contributor to the economy. Visitor arrivals rose some 7.6 per cent to 117.5 thousand compared with 109.3 thousand in 1986 and the hotel occupancy rate rose to a year-round average of 70.9 per cent, the highest rate ever achieved, he noted.

Compton said that in accordance with a Caricom agreement, stamp duties are being removed completely and consumption duties adjusted and a service charge introduced to offset any fall in revenue.

The prime minister expressed regret over the steady contraction of the Caricom market. Almost the entire community is surrounded by minefields of protectionist devices of licences, quantitative restrictions and bureaucratic delays which strangle trade, he lamented. He said nevertheless St. Lucia was adhering to obligations under the Caricom Treaty and had registered an increase in imports from partner states from 65.8 million in 1986 to 71.3 million dollars in 1987.

Non-oil imports from Trinidad and Tobago, our most important trading partner rose from 29 million in 1986 to 40 million in 1987, while St. Lucia's exports fell from 6.2 million [figure as received] in 1986 to 22.5 million in 1987, Compton said.

However, he spoke of an increase iln trade with Jamaica as that country resumed purchases of coconut oil in 1987.

St Lucia's exports of garments and electronic products to the United States rose from 24 million in 1986 to 37 million in 1987.

## Development Bank Creates Small Business Unit

*FL302325 Bridgetown CANA in English 2002 GMT 29 Mar 88*

[Text] Castries, St Lucia, March 29, CANA—The St Lucia Development Bank has announced the establishment of a small business unit as a separate division of the agency. The unit will be required to provide advisory services and technical assistance to small business, including the informal and micro-business sector. The move was seen as the bank's contribution to the promotion of 1988 as the year of small business.

The bank's board of directors has approved a fund of EC100,000 dollars (1 EC dol;37 cents U.S.) to help sustain and support the activities of the unit, including the provision of financial support for consultancy services, feasibility studies and overseas training attachments.

A special programme for the improvement, renovation and extension of guest houses in St. Lucia has also been initiated.

The bank said it will be supported by credit terms which are sufficiently flexible and elastic to enable owners of the small resorts to take advantage of these facilities. Interest for this special credit programme will not exceed 10 percent per annum and repayment arrangements will be structured to allow for extended grace periods and lower loan repayment terms in the early years of the loan facility.

The bank is also exploring the possibility of establishing a venture capital fund to help improve the debt/equity ratio of small business. It is expected that this will provide a source of capital to help reduce dependence on credit funds in the early phases of a business enterprise.

## U.S. Customs Head's Statements Protested

*PA310401 Mexico City XHTV Television in Spanish 0228 GMT 31 Mar 88*

[Text] Mexico today presented a formal diplomatic protest to the U.S. Government over statements by U.S. Customs Service Commissioner William von Raab. Mexico said the U.S. official made some unfounded, slanderous statements to the U.S. Senate.

During a meeting to discuss narcotics trafficking, Von Raab made public statements against high-ranking officials of the current administration. This has very much surprised the Mexican people and government, the communique adds, inasmuch as narcotics trafficking is the joint concern of the two governments.

The document, which was signed and delivered by Mexican Ambassador in Washington Jorge Espinosa de los Reyes, adds that the recent slanderous statements are in sharp contrast with the two governments' statements of mutual respect and plans for cooperation, as expressed during the recent meeting of the Mexican and U.S. Presidents at Mazatlan, Sinaloa, on 13 February.

The Mexican protest adds that the relevant U.S. authorities have ample information on the persevering efforts the Mexican Government is making to fight the various forms of international narcotics trafficking and the use of various drugs. In conclusion, Mexico said Mr von Raab acted in bad faith, as his statements are an adverse factor in the intense, respectful cooperation between the two countries to fight the international narcotics trafficking problem.

## Briefs

### Pemex Production Figures

Pemex reached record figures in its production of 19 basic petrochemical products during 1987. Pemex produced 13.8 million tons of petrochemical products in 1987, 1.2 million tons more than in 1986. [Summary] [*PA302359 Mexico City UNOMASUNO in Spanish 24 Mar 88 p 13*]

## Costa Rica

### Arias To Mediate in URNG, Government Talks

*PA301935 San Jose Radio Reloj in Spanish 1200 GMT 30 Mar 88*

[Text] The resumption of the dialogue between the Guatemalan Government and the URNG will be sought by Costa Rican President Oscar Arias Sanchez. URNG leaders Rodrigo Asturias, Hector Nuila, and Luis Becker met with President Arias yesterday afternoon and asked him to act as a mediator and to request the resumption of the talks suspended last year in Madrid. The rebel leaders also thanked President Arias for allowing them to hold meetings in Costa Rica with Guatemalan mediator Archbishop Prospero Penado del Barrio.

President Arias has begun planning the first meeting between the rebels and the archbishop in the hopes that it can be held in April. The rebel leaders said that there are still some matters that must be defined. One of these matters is a date for the meeting. This first meeting would be to exchange views and to hear Archbishop Penado del Barrio's offer. The rebels would, in return, submit their proposal to the government.

The URNG leaders said that their organization will not set preconditions for the resumption of the talks. From the very beginning, they suggested an open agenda to discuss Guatemala's political situation. However, the government has set preconditions. The government has asked the rebels to lay down their weapons prior to the talks. The rebels feel they should first talk and then decide on what should be done. The rebels added that they seek a definite, political solution to the Guatemalan domestic situation and the establishment of a real democracy.

If an agreement is reached between the URNG and the Guatemalan Government, the talks will be held in Costa Rica. President Arias has agreed to act as mediator, and he will be responsible for contacting Guatemalan President Vinicio Cerezo and Archbishop Prospero Penado del Barrio and to define some aspects of the process. A week ago, Guatemalan President Cerezo told President Arias that he is willing to consider the possibility of a meeting with the rebels in San Jose.

## Guatemala

### Cerezo, De la Madrid Sign Cooperation Agreements

*PA301750 Guatemala City EL GRAFICO in Spanish 29 Mar 88 p 4*

[Text] The joint communique signed last week by the presidents of Guatemala and Mexico in their meeting in Cancun, Quintana Roo, was officially released yesterday.

The 10-page document begins by stating that the meeting was held in a climate of friendship and cooperation.

It adds that this third meeting reflected the two presidents' commitment to a shared policy of continuing the dialogue begun in their 1986 and 1987 meetings.

The talks are designed to increasingly consolidate the ties between the two nations.

One of the topics discussed at the meeting of the two presidents was agreements reached in the area of ecology, particularly the plans to clean up Lake Amatitlan.

They also expressed satisfaction with the progress of plans to remodel the port of Champerico, the completion of cooperation programs for the exploitation and marketing of fish products, and other bilateral projects.

Among the most important projects is that of promoting technical assistance to develop Guatemalan exports.

The two presidents acknowledged that the adequate functioning of the exchange of reciprocal payments and credits by the two countries within the framework of ALADI. [sentence as published]

This refers to the establishment of reciprocal lines of credit for a total of $10 million between the Mexican National Foreign Trade Bank and the Bank of Guatemala. It also refers to the Mexican Government's decision to extend this credit for another $5 million. This is an important and necessary mechanism of support for bilateral trade transactions.

As for the bilateral debt, the two presidents agreed that it is necessary to find imaginative and mutually acceptable solutions to that problem. For this reason, they agreed that before the end of April 1988 they would decide on the basic characteristics of agreements in this area and actions for implementing those agreements.

They also agreed that a meeting of Mexican and Guatemalan officials will be held on 7 and 8 April.

## Nicaragua

### Government, Contras Hold Cease-Fire Talks

#### Calero Views Prospects

*PM301406 Madrid DIARIO 16 in Spanish 28 Mar 88 p 13*

[Interview with Nicaraguan Resistance (RN) leader Adolfo Calero by M. Leguineche; date, place not given]

[Excerpt] San Jose, Costa Rica—[Passage omitted] [Leguineche] Will the truce be maintained for 60 days?

[Calero] If it is broken it will be because the Sandinists are accustomed to violating cease-fires. They are professional violators.

[Leguineche] Your words are surprising just a few days after the signing of the cease-fire. Are you not being influenced by the reaction of the extremists in Miami who interpret Sapoa as a capitulation?

[Calero] Yes, they believe the Sandinists are going to deceive us yet again and that does not surprise me at all.

[Leguineche] Reagan and his supporters also seem skeptical. Did they not know that the contras would sign the agreement with the enemy?

[Calero] We are all skeptical; we, first and foremost, and everyone else as well.

[Leguineche] However, THE NEW YORK TIMES, among others, believes that it is the Sandinists who have best adhered to the spirit and the letter of the Esquipulas agreement.

[Calero] Hitherto they have only shown themselves to be clever manipulators: They have done nothing to earn anyone's trust. The fact is they had no alternative solution.

[Leguineche] You seem to regret having signed the document. Is there any truth in the rumor that you, Pedro Chamorro, and others opposed the agreement?

[Calero] That is mere speculation. During the 3 days of talks we were flanked by the four regional commanders of the Resistance. They took part, gave their approval, and accepted the pledge.

[Leguineche] Nevertheless, there are contra troops that interpret the Sapoa agreement as a surrender and are unwilling to lay down their weapons.

[Calero] We will not disarm until all nine commanders display their willingness to honor the Sapoa agreement and for a genuine democratization process in Nicaragua.

[Leguineche] The roles already seem to have been allotted: You are the baddie, the pro-American who signed the agreement without much enthusiasm; while Alfredo Cesar is the goody, the independent, the respectable contra....

[Calero] Do not forget that I said this: "The Yankees are weak enemies and dangerous friends." I said it—not Alfredo Cesar.

[Leguineche] It is said that the Sapoa meeting ended without a handshake. How significant is this?

[Calero] We did not shake hands at the moment of signing but we did so later, privately, when we formally took our leave.

[Leguineche] But you did sing the national anthem together....

[Calero] That is not true either. We sang the Nicaraguan national anthem, and they sang their own—"Let us march, comrades," and so forth....

[Leguineche] What model of society, what form of state, and what system of democracy will be established in Nicaragua if the Esquipulas and Sapoa agreements are honored absolutely?

[Calero] The internal opposition has requested 17 reforms that we support. We want not only a cease-fire but also a timetable for democratization. The two concepts of cease-fire and democratization are interconnected, inseparable.

[Leguineche] Will you turn the contras into a political party?

[Calero] I do not need one. I already have my party—the Conservative Party.

[Leguineche] What will the 12,000 contra troops do after demobilization?

[Calero] Guerrillas adapt badly to civilian life.

[Leguineche] Will they join the Sandinist People's Army?

[Calero] I do not know. It will depend on individuals. Nicaragua's Army is already too large. What it should do is demobilize the many troops it does not need.

[Leguineche] The Sapoa talks start again today. What are the prospects?

[Calero] This is the technical phase of the talks, concerning positions, supplies, air corridors, humanitarian aid—of which we have received none—communications, and so forth. We will choose a private enterprise to do this work with our men, and they must decide whether or not it is neutral, as required by the cease-fire agreement.

[Leguineche] To whom is most credit due for the Sapoa agreement?

[Calero] In my opinion its chief architect was Cardinal Obando y Bravo. He conducted the entire process.

### RN 28 March Comments

*PA301659 Managua Domestic Service in Spanish 2315 GMT 28 Mar 88*

[News conference held by Nicaraguan Resistance (RN) leaders Diogenes Hernandez Membreno, Commander Fernando; Walter Calderon Lopez, Commander Tono; RN Director Aristides Sanchez Herdocia; and unidentified RN spokesmen with unidentified local and foreign reporters in Sapoa—live]

[Text] [Spokesman] [Words indistinct] to the agreement signed on 23 March, we have created a special commission that will exclusively discuss the security zones and

the way activities there will be handled. We met briefly today. We had transportation problems. We will meet again tomorrow morning. We and the Managua government agreed that this first meeting of the special commission will end tomorrow at 1700. We will set the date and place for the next meeting, which probably will not be in Sapoa, tomorrow. We are ready for commander...

[Reporter, interrupting] What is the government proposal...

[Moderator, interrupting] Excuse me, excuse me, Commander Fernando will make some statements now and will give you information about the special commission negotiating here in Sapoa today.

[Membrano] First, I want to thank you all, on behalf of the special commission, for being here. We understand that you want to provide objective information about what is happening in Sapoa. This is not the cease-fire commission. This is the special commission, which was created in accordance with point No 2 of the agreement signed at the previous meeting of the FSLN and the RN here in Sapoa.

We came to Sapoa only to negotiate the technical aspects of the cease-fire. I believe we have made some progress in that respect. I want to tell the Nicaraguan people and the world that combatants will not lay down their weapons until Nicaragua becomes a democratic country. We are not talking about the kind of democracy the FSLN proclaims...

[Reporter, interrupting] A democracy like Reagan's then?

[Membrano] At the previous meeting Humberto Ortega talked about a Marxist democracy. No. The Nicaraguan people want true democracy. We are talking about a democracy like the one in Costa Rica. I want to tell the Nicaraguan people that they can have absolute trust in the RN and its combatants. We will not betray them. We will stop struggling when Nicaragua becomes a democratic country. We have goodwill and faith to reach Nicaragua's democratization along this path. We are exhausting all the available resources to reach that goal and to end the war once and for all because...

[Station announcer] It is 1718 now. The truth is that Commander Fernando is really delivering a speech here. Of course, I think the media of the revolution cannot transmit a political speech or a proclamation because that does not agree with what was signed. For example, to say they will not lay down weapons goes against what was signed.

[Reporter] [Words indistinct] because you are going to create a non-Sandinist democracy, a Somozist democracy.

[Reporter] Was there a fraternal atmosphere?

[Membrano] I did not talk about a democracy like the one you are describing. I referred to democracy in general. I even gave the example of Costa Rican democracy, which is what the Nicaraguan people want. Let us not speak of a Marxist democracy. People do not want that. The Nicaraguan people want democratic freedom.

[Reporter] There are no Somozists in the Costa Rican democracy, Commander Fernando. Why do you not answer? Tell me, are Costa Rican guards...

[Spokesman, interrupting] Today's meeting developed pretty well. We made some progress. We hope tomorrow will be a fruitful day, and I hope we will reach some agreements tomorrow. We already have a zone proposal that guarantees physical and moral integrity for our combatants, logistics, and communications, which is what both the civilian and combative forces are interested in attaining at this meeting.

As Commander Fernando said, the RN's first duty is to attain democracy for Nicaragua. God will help us bring democracy to Nicaragua one day.

[Reporter] [Words indistinct] an assembly stating that you had problems [words indistinct] to Sapoa. What is the specific result of that assembly?

[Spokesman] The RN [words indistinct] for the future of Nicaragua. We have democratic groups within the organization. We also have an assembly to which we must report. The assembly ratifies or disapproves of our decisions.

[Question indistinct]

[Spokesman] We are in the process of doing that. We are first going to Managua to continue with these talks on 6 April, as was planned when the document was signed on 23 March. We will later choose the people who will go to Managua to attend the dialogue [words indistinct].

[Question indistinct]

[Spokesman] I want to tell you that we have already unilaterally released 80 prisoners in the last few months. They were released in Liberia [Costa Rica]. We have offered to release as soon as possible the war prisoners we have. This is in just a matter days. We are considering channels to guarantee the personal safety of these prisoners, and they will be free like all Nicaraguans want to be free. I do not have the lists.

[Question indistinct]

[Spokesman] I do not have the lists, so I could not...

[Reporter, interrupting] How about the kidnapped teachers? What are the RN members planning to do this afternoon?

[Spokesman] I left yesterday afternoon, and I am unaware of the results of any meeting. I believe it would be a good idea if you asked this question to the gentlemen who attended this meeting.

[Reporter] While listening to Radio 15 September this past weekend and other reports, it seems the combatants in Nicaragua are somewhat confused as to the agreement signed at Sapoa. I would like to know how the fighters feel about this agreement.

[Spokesman] The freedom fighters [words indistinct] are the men who are fighting for freedom in Nicaragua. The only thing they want is democracy, and they are not seeking war [words indistinct]. They have certain guidance; you must understand that the media we have is not very effective. We are a group of guerrillas; we are not a government. However, our fighters are very clear in what they want. They want a peace based on the freedom of Nicaragua.

[Question indistinct]

[Calderon] To answer your question, I want you to know this is not a situation that can change overnight. This is a long process. It is very difficult for two armies engaged in a civil war where [words indistinct] it is very difficult for both parties—both the Sandinists and ourselves—to explain to our troops about all the efforts and negotiations being conducted. This is not a normal situation, and there must be some reaction by both parties.

[Question indistinct]

[Sanchez] Thank you. We think 1700 is a reasonable hour. We have to travel 90 minutes to Liberia. It is night by the time we get there. We have to work hard tomorrow. We have been traveling all day. We will resume the dialogue tomorrow at 0900.

[Reporter] Why did you meet with Shultz today? Why are you evading this question?

[Sanchez] We better conclude, because the insults are getting out of hand. I think we can find a solution tomorrow. If we do not conclude things tomorrow, we will then schedule another meeting. We will decide on this tomorrow. You will learn about this tomorrow.

[Question indistinct]

[Sanchez] You ask him that.

[Reporter] Why did you go meet with Shultz today?

[Sanchez] Ask Shultz about that.

[Reporter] But you did go.

[Moderator] You have just heard the evasive answer of Aristides Sanchez. This has been a propaganda show prepared by the counterrevolutionaries who availed themselves of the presence of the local and international press, mainly the foreign press, in order to direct their propaganda, their so-called [words indistinct].

## Cuadra 29 March Remarks

*PA301257 Managua Domestic Service in Spanish 0004 GMT 30 Mar 88*

[News conference held by Vice Defense Minister Major General Joaquin Cuadra Lacayo with local and international reporters in Sapoa—live]

[Excerpts] [Reporter] General, can you tell us [words indistinct]?

[Cuadra] The government communique is clear. Today we identified, discussed, and agreed in principle on some points on the location, size, and some aspects of the modus operandi [of the security zones], which were not fully discussed and will continue to be analyzed on the 5th [of April] [words indistinct].

[Question indistinct]

[Cuadra] Yes.

[Reporter] [Words indistinct] for the meeting on 5 April?

[Cuadra] The deadline for today's meeting was set at the beginning of yesterday's meeting. The deadline was set for 1700 today, as we told you yesterday. Obviously, the Nicaraguan Government delegation was flexible and willing to meet for as long as necessary to fulfill the work established by the Sapoa agreement.

Because they could not continue the meeting, today we agreed to meet again here in Sapoa on Monday, 5 April, to complete the work we have yet to finish.

[Reporter] [Words indistinct] for the future of the cease-fire process, which is scheduled to begin on 1 April, the process I mean?

[Cuadra] Yes, of course. The Sapoa agreement establishes that the process begins on 1 April, excuse me, during the first 15 days of April, as the document's text reads. That evidently means there is no fixed day. The process does not necessarily have to start on 1 April. It can begin any time within the first 2 weeks of April. The main thing is that we made some progress by identifying some points of agreement and that we directly, frankly, and professionally discussed the location and size of the zones. The most important thing is that this meeting has been a positive step within the framework of the Sapoa spirit and agreements. [passage omitted]

[Reporter] What were the most sensitive issues discussed concerning the modus operandi, which seems to be the main issue of this meeting, General?

[Cuadra] The modus operandi was almost not discussed. It was briefly discussed. It will be the main topic at the meeting on 5 April. We hope the two delegations will bring specific proposals on this issue to accelerate the discussion of this topic on 5 April, which is the pending subject.

[Reporter] When will the counterrevolutionary forces [words indistinct] to the delimited zones?

[Cuadra] The forces would begin to enter the zones once we complete the meeting on 5 April. After we complete the discussion process, the agreement will begin to be implemented. The agreement clearly establishes that the process must begin within the first 15 days of April. [passage omitted]

The important thing is that this meeting has been a step forward, because we again met their deadline for meeting at Sapoa for an open and direct talk. We made some progress; we did not advance as much as the Nicaraguan Government wanted, but we made some progress. Thank you, ladies and gentlemen.

### Agreement on Locations

*PA302144 Managua Domestic Service in Spanish 0300 GMT 30 Mar 88*

[Text] After more than 8 hours of negotiations, today representatives of the Nicaraguan Government and the Nicaraguan Resistance reached agreement on the location and limits of five areas in which the contras will gather.

Nicaraguan Government spokesman Manuel Espinoza Henriquez announced at the end of the meeting that the two special delegations submitted proposals on the enclaves to be occupied by the rebel forces beginning 1 April. Espinoza read the following communique in this regard:

[Begin recording] During their meetings on 28 and 29 March in Sapoa, the Nicaraguan Government's special delegation and the RN's special delegation presented proposals regarding the size and limits of the areas where the RN forces will be located in accordance with point No 2 of the Sapoa agreements.

Both delegations reached agreement on the location and size of five areas—two in the north, two on the Atlantic, and one in the south. Some other areas and procedural aspects need to be defined. The Nicaraguan Government delegation will go to Sapoa on Tuesday, 5 April, to conclude the discussion of these two issues.

Sapoa, Rivas, 29 March 1988 [end recording]

### Cabinet Changes, Replacements Announced

*PA301845 Managua Radio Noticias in Spanish 1200 GMT 30 Mar 88*

[Text] These are the changes made in the various ministries and autonomous agencies:

Carlos Carrion, the government delegate for the third region, will be Managua's mayor to replace Eng Moises Hassan, who will be the rector of the Engineering University.

Culture Minister Father Ernesto Cardenal will now devote his time to meditation on [name indistinct] Island. His brother, Fernando Cardenal, will be education minister [as heard]. Joaquin Solis Piura and [name indistinct] will be vice ministers.

Housing and Human Services Minister Miguel Ernesto Vigil will head the Nicaraguan Cotton Enterprise.

Engineer and architect [first name not given] Valenzuela will be construction, transportation, and housing minister.

Transportation Minister William Ramirez will head the National Basic Products Enterprise.

Gustavo Moreno will be the Nicaraguan ambassador to Cuba.

### RN Assembly Accepts Robelo's Resignation

*PA301710 Panama City ACAN in Spanish 1547 GMT 30 Mar 88*

[Excerpt] San Jose, 30 Mar (ACAN-EFE)—The "contras" press office today announced that the Nicaraguan Resistance (RN) assembly has accepted Alfonso Robelo's resignation. Robelo, member of the RN Directorate, tendered his resignation 3 months ago.

The initial rumors that Robelo would be replaced by a representative of the Nicaraguan Atlantic coast indigenous community, possibly a Miskito, were never confirmed.

The assembly instead abolished Robelo's position and reduced the number of Directorate members from seven to six.

The assembly met in Miami, under the presidency of Jose Medina Cuadra, to evaluate the agreements signed with the Nicaraguan Government in Sapoa. The Directorate also amended the organization's charter and established that only five people were needed to have the quorum needed to meet. This means the Directorate does not need more members to meet legally.

Pedro Joaquin Chamorro Barrios has now become the Social Democrat's representative to the Directorate. This office was previously held by Alfonso Robelo. [passage omitted]

## Panama

### Noriega 'Gave His Word' To Leave If Talks Start

*PA302245 Paris AFP in Spanish 2153 GMT 30 Mar 88*

[Text] Caracas, 30 Mar (AFP)—Former Venezuelan President Carlos Andres Perez has said General Manuel Antonio Noriega "gave his word" to leave office in April if a national agreement to begin the democratization process is reached. Perez said this after returning from Costa Rica.

In statements published by the press today, Perez said that during his visit to Costa Rica he talked with Noriega over the telephone several times, as well as with Panamanian Archbishop Marcos MacGrath and Manuel Solis Palma, minister in charge of the Presidency. Perez met with Spanish Prime Minister Felipe Gonzalez, Costa Rican President Oscar Arias, and former Costa Rican President Daniel Oduber in San Jose this week to try to find a solution to the Panamanian crisis.

Perez said Noriega would be willing to leave in April "before the end of his term of office in May."

"I am not Noriega's spokesman...however, we have Gen Noriega's word that he would not be an obstacle and that he is willing to resign as Panama Defense Forces commander when the process of understanding begins," Perez said.

Perez added that Spain's offer to receive Noriega "is not an offer for political asylum. The idea is for Noriega to leave as a general who fulfilled his duty, not as a political refugee."

### Reaction to Church Document to Noriega

#### Christian Democrats

*PA301914 Panama City ACAN in Spanish 0205 GMT 30 Mar 88*

[Text] Panama City, 29 Mar (ACAN-EFE)—The Panamanian Christian Democratic Party said it would not participate in any national dialogue unless General Manuel Antonio Noriega answers the requests of the Catholic Church.

Christian Democratic Party President Ricardo Arias Calderon told ACAN-EFE that his political group had analyzed its eventual participation in a national dialogue to find a peaceful and negotiated solution to the crisis in Panama.

Today Panama Auxiliary Bishop Msgr Oscar Brown said that the church gave Noriega a document requesting that he "separate himself from his job as soon as possible" and that he "clarify the legitimacy of the country's executive authority, which right now is questioned by majorities inside and outside the country."

Arias Calderon added that the religious authorities have indicated "they believe Gen Noriega's immediate separation is necessary." Arias Calderon said the church constitutes the country's "moral authority and is the only institution that can prevent bloodshed among Panamanians."

The opposition leader agreed with the position assumed by the church and reiterated that the requests made to Gen Noriega must be complied with before a national dialogue can take place.

Manuel Solis Palma, minister in charge of the Presidency, said on 21 March that Noriega had placed his job at his (Solis Palma's) disposal. Solis Palma made the holding of a national dialogue, which he urged all national sectors to join, a condition for his accepting Noriega's resignation.

Arias Calderon said the military officer remains in his post because "he is a man whose only aim is to obtain more power; sort of the tropical version of a character out of Machiavelli's 'The Prince.'"

Arias Calderon said: "I believe Gen Noriega is insisting on remaining in command of the Army because he is deeply involved in drug trafficking. He also fears the U.S. courts and his drug-trafficking partners."

Gen Noriega was indicted in mid-February by two Florida courts on charges of extortion and involvement with international drug trafficking.

Concerning the manner in which a 28 March Civic Crusade demonstration was broken up, Arias Calderon said "there were contradictions in the actions of the police" and "I believe there are differences within the Defense Forces."

He said that as the demonstration was dispersed, "the soldiers nearer to the demonstrators looked as surprised as everybody else by the repression on both sides of the demonstration."

The main leaders of the Civic Crusade, who had called a news conference at the city's largest hotel, were arrested on the day of the demonstration. The army raided the hotel and arrested opposition leaders and journalists.

Arias Calderon pointed out that this raid and the arrest of 47 Civic Crusade members and 12 journalists "must be seen in light of facts released Monday, related to a suggestion made by Felipe Gonzalez and Oscar Arias."

Gonzalez and Arias feel the mediation of Panamanian Archbishop Msgr Marcos Gregorio McGrath is necessary to resolve the Panamanian crisis.

### McGrath on Mediation

*PA310136 Panama City Telemetro Television in Spanish 2328 GMT 30 Mar 88*

[Interview with Msgr Marcos Gregorio McGrath, archbishop of Panama by unidentified reporter: date, place not given—recorded]

[Excerpts] [McGrath] I telephoned the two parties, and there seemed to be an interest, but no commitment. I was not aware yet [that I would be the mediator]. I have been visited by some members of the opposition—of the Civic Crusade—and we have talked about that. None of the parties have given me a firm answer yet. I have had other telephone calls from those gentlemen, particularly from [former Venezuelan President] Carlos Andres Perez and other officials, including President Arias. I always go back to the same point: I am not the one who can sell this idea, nor do I want to sell it. If I am asked to do this, however, I will be pleased to do it.

The government and the military might find it somewhat difficult. They might think the church is biased, because throughout these past few months the church has had a moral obligation to criticize those who exercise force and who have exceeded their use of this force. During a news conference yesterday, we announced the bishops' stands and opinions on the current crisis. We mentioned our view on the constitutional aspects of the most recent changes. We also voiced our conviction that General Noriega should retire—as he himself has promised on several occasions—and soon, because there is a very grave problem, and it requires an urgent solution.

I do not think, however, that these issues would prevent the church—through me or any other person—from mediating, because we do need to hold talks. Anyone acting as mediator should serve exactly as a mediator; he cannot participate, but he can help so the two parties will listen to each other. When two parties start to negotiate, often one party says he wants to discuss one point, and the other one says he wants to discuss another point. Conditions should not be established before sitting down to talks.

If this can be achieved, the general himself has clearly said he will leave the post of commander in chief. The question is when and how. That would be discussed in what would be a mediation. [passage omitted]

[Reporter] Monsignor, along the lines of these ideas that you have brought up and in the face of this mediation proposed by the Latin American and European leaders and the Panamanian church, has Gen Noriega demanded some minimum conditions for leaving power?

[McGrath] Not from me. I believe he did so in other conversations. During the only conversation I held with him—a telephone conversation—in which we discussed this, we did not go into those details.

[Reporter] It has been learned that you met this afternoon with U.S. Ambassador Arthur Davis.

[McGrath] He only asked me the same thing you are asking, and that is about the mediation. I told him exactly what I am telling you: I do not know and will not be able to answer very much as long as I am waiting for the two parties to give an answer.

[Reporter] The Civic Crusade has said on various occasions that Gen Noriega is trying to gain time. What could happen shortly, or in the long run, if an immediate solution is not found to the current crisis?

[McGrath] That is a serious concern. That is why I say that if something does not happen soon—if the two parties do not give an answer soon—I would have to withdraw from anything I have been asked to do. This is because there is no room for me if the two parties do not want it. If this happens, we would just be prolonging the waiting period, without any results. In the meantime, this country is in a state of agony.

I want to take this opportunity to say something you have not asked me about. I believe we must seek complete peace if we want to discuss a true mediation. With this, I want to say that the two parties—and all the parties—should abstain for a few days from all street demonstrations and all repression of street demonstrations. The government should show its goodwill by releasing two people we have been told are still under arrest, Carlos Ernesto Gonzalez de la Lastra and Olmedo Guillern, as well as anyone else who might be under arrest. As long as they are under arrest, the opposition is not willing to hold talks. If this psychological, real, and personal obstacle is removed and if there is a willingness to seek an atmosphere of peace, we might—I believe for the good of Panamma—expect there could be talks and, if necessary, a mediation for those talks. Nobody can deny this is what we definitely need. The two parties should not insist on two separate points, but they should discuss those points and see how these can be reconciled.

### Government Rejects Request

*PA310412 Panama City ACAN in Spanish 0316 GMT 31 Mar 88*

[Text] Panama City, 30 Mar (ACAN-EFE)—Today in a letter from President Manuel Solis Palma to Apostolic Nuncio Jose Sebastian Laboa, the Panamanian Government announced it does not accept Panamanian Archbishop Msgr Marcos McGrath's request for the removal of General Manuel Antonio Noriega as Defense Forces commander.

We hope the bishops "will accompany the government in the search for peaceful solutions and will not try to impose decisions involving a defiance of and disregard for the legally established authorities," Solis Palma said in his letter to the Vatican's representative in this country.

"That is why Msgr Marcos McGrath's written request that the commander—Noriega—leave his official post has caused deep surprise," the minister in charge of the Presidency added.

Solis Palma said that because there is no concordat between the Panamanian state and the Vatican, in accordance with international law "there are no reciprocal means by which they can express an opinion on the legitimacy or suitability of their respective authorities."

## National Banking Commission Issues Regulations

### Accounts Restricted

*PA301627 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Mar 88 p B-6*

[Agreement No 8-88 issued by the National Banking Commission in Panama City on 28 March]

[Text] Whereas:

Because of the untimely and temporary freezing in the United States of legal tender cash to meet the normal requirements of Panama's banking system through the National Bank of Panama, in regard to U.S. dollars, expectations were aroused among depositors of the banks established in Panama that caused an unusual and collective interest in withdrawing cash and general funds in any form and of any value;

In view of the abnormal conditions referred to in the above statement, it was necessary to order the temporary suspension of all banking operations at banks established in Panama with general licenses to ensure the integrity of the banks and their establishment's normal functioning, as well as the integrity of each and every one of their depositors' interests;

In work and consultation sessions held by this commission, the need and convenience of establishing special conditions applicable to the deposits held in those banks and other banking operations prior to the resumption of banking operations were stated;

And, it is the commission's duty, in accordance with Article 4 of Cabinet Decree No 238 of 2 July 1970, to ensure the solidity and efficiency of the banking system and to promote adequate monetary and credit conditions for the sustained stability and growth of the national economy.

Agrees:

Article 1: The conditions established in the following articles are applicable to local deposits as well as foreign deposits held in government banks and other banks established in Panama with general licenses.

Article 2: Demand deposits—The following conditions will be applied to demand deposits ("current accounts"). The balances, according to the bank books on 3 March 1988, in demand deposits will be restricted.

Depositors are authorized, nevertheless, to dispose of 25 percent of that balance, up to a maximum of 10,000 balboas.

Paragraph 1: Expressly included in the restrictions stated in this article are all checks in circulation between 3 March 1988 and the date banking operations resume.

Paragraph 2: The restrictions established in this article will be implemented for a period of 90 days, counted as of the date banking operations resume, and subject to revision by the commission at any given time.

Article 3: Savings Deposits—The following conditions will be applied to savings deposits ("current savings") and "special savings in accounts that surpass 3,000 balboas."

a) The balance, according to bank books on 3 March 1988, on savings accounts is restricted.

Nevertheless, the monthly withdrawal of five percent of the balance in the account, up to a maximum of 50 balboas, is authorized.

b) For each withdrawal it is required that the bank be notified in writing no less than 30 days in advance.

Paragraph: the restrictions established in this article will be implemented for a period of 90 days, counted as of the date banking operations resume, and subject to revision by the commission at any given time.

Article 4: Fixed Time Deposits—the following conditions will be applied to fixed time deposits:

Fixed time deposits with previously established deadlines after 3 March 1988 will be extended for 3 months, counted as of the date of the original previously established deadline, and at an interest rate no less favorable than the original previously established interest rate for the deposit.

Article 5: Despite the restrictions established in the above article, it is expressly understood that:

a) Local as well as foreign deposits made after the resumption of banking operations are excluded from the restrictions established in the previous articles. Those deposits will be governed by the normal rules previously established for them.

b) The interest accrued by local as well as foreign deposits before and after the resumption of banking operations are excluded from the restrictions established in the previous articles. That interest will be governed by the normal rules freely established for them.

c) Christmas savings and other deposits of a social-educational nature deposited before or after the resumption of banking operations are excluded from the restrictions established in the previous articles. These deposits will be governed by the normal rules previously established for them.

ch) The banking operations not restricted by the present agreement are free of the restrictions in question. Those operations will be governed by the normal rules previously established for them.

e) [letter as published] The partial or total payment of pending debts by an account holder in favor of a bank, chargeable to the balance on 3 March 1988 on deposits made by the account holder to that bank, excluding interbank deposits, are not subject to the restrictions established in the previous articles. If after the payment is made a balance is left in favor of the account holder, that balance will be subject to the restrictions established in the previous articles.

Article 6: The arrangements stated in this agreement do not affect the arrangements made in agreements Nos 4-88 of 21 March 1988 and 7-88 (temporary) of 22 March 1988.

Article 7: The arrangements of the current agreement will go into effect as of today.

Issued in Panama City, 28 Mar 1988

To be disseminated, published, and implemented

Azael Purcait

President

Mario De Diego Jr.

Secretary

## New Clearing Procedures

*PA301606 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Mar 88 pp A-1, B-6*

[Agreement No 9-88 issued by the Panamanian National Banking Commission in Panama City on 28 March]

[Text] The National Banking Commission

using its legal powers and

Whereas:

In the wake of the untimely and temporary freeze of cash in dollars in the United States, cash aimed at meeting the normal demand of the Panama banking system for U.S. dollars through the National Bank of Panama, the depositors of Panamanian banks became concerned and anxious, and this resulted in an unusual and widespread withdrawal of cash and securities of all types and denominations;

In view of the abnormal conditions mentioned in the previous paragraph, it was necessary to order the temporary suspension of all banking operations of the banks established in Panama operating under a general license in order to protect the integrity of the regular operations of the banks and their branches, as well as the integrity of the interests of each and every depositor;

In view of that which was ordered in Articles 3 and 5 of Agreement No 4-88 of 21 March 1988, on 23 March 1988 the state-owned banks and other banks established in Panama, operating under a general license, exchanged among themselves the checks and documents processed by the respective banks prior to the clearinghouse activities of 3 March 1988;

The return, compensation, and payment of the documents mentioned in the previous paragraph was made a condition for the approval of the restrictions that will regulate bank deposits;

The restrictions mentioned in the previous paragraph were approved through Agreement No 8-88 of 28 March 1988; and

It is imperative to continue with the above-mentioned clearing procedure to soon authorize the resumption of banking operations.

Agrees:

Article 1: Order the continuation of the clearing procedure authorized by Articles 3, 5, and 6 of Agreement No 4-88 of 21 March 1988 in accordance with the following program:

1. On Thursday, 31 March 1988—in the usual offices and at the usual time (0600)—the system's banks will physically exchange the checks and documents of the lists delivered on 23 March 1988.

2. On Tuesday, 5 April 1988, at 1500, the system's banks will meet to deliver the returned checks and documents. The conditions and restrictions established in Agreement No 8-88 of 28 March 1988 will be applied for this and the net balances of each bank will be established.

3. On Wednesday, 6 April 1988, at the latest, each bank will pay the net balances payable.

Article 2: As long as the United States continues the freeze on cash—cash aimed at meeting the normal demand of the Panamanian banking system for U.S. dollars—the National Bank of Panama is hereby authorized to pay the net amount owed by the National Bank

as a result of the clearing procedure authorized in this agreement. This payment will be made through a certified check or a bank transfer as indicated by the creditor banks.

Article 3: This agreement will go into effect as soon as it is approved.

Issued in Panama City on 28 March 1988

Let this be published and implemented

Azael Purcait

President

Mario De Diego

Secretary

## CONATO, FENASEP Call for 4 Apr Dialogue

*PA301607 Panama City Domestic Service in Spanish 1222 GMT 30 Mar 88*

[Report by Jairo Posada—passages within quotation marks recorded]

[Text] Spokesmen for the National Council of Organized Workers, CONATO; the National Federation of Associations of Public Employees, FENASEP; and the Popular Unity Front have reiterated their call for a dialogue on Monday, 4 April. The spokesmen told local and foreign correspondents that the dialogue would begin at 1000 at Atlapa Convention Center. FENASEP spokesman Hector Aleman criticized certain U.S. sectors.

[Aleman] "Who are they to talk about morality? Their society is the most corrupt there is. They must resolve their corruption problem first.

"This is not one man's problem; it is a much bigger problem. A U.S. congressman—I don't recall his name—visited the country recently. When he returned to the United States, he said he did not feel Noriega is the problem. They are already admitting that Noriega is not the problem and that this is a much bigger problem. What they want is to recover the land they lost after the treaties were signed. They feel this land belongs to the United States.

"The problem is not the gringos being worried about democracy in our country. We were thrown off a bit by this, and for a while we failed to see the real problem behind all this. The main problems are the strategic interests the United States has in our country. We are no longer going to fight over whether Noriega is or is not the problem because this is not the main problem. Our main problem is the U.S. interests in our country and those people within the country who are willing to play their game."

Another correspondent asked Aleman about the possibility of Msgr Marcos Gregorio McGrath mediating in the national dialogue, as stipulated in the proposal presented by Spanish Prime Minister Felipe Gonzalez and supported by Costa Rican President Oscar Arias.

[Aleman] "The problem is the following [words indistinct] opposition. If you could prove to me that the Panamanian church had remained neutral in the face of the crisis, I would probably accept it. Everyone here knows that the church has not remained neutral, that McGrath has not remained neutral. I even think McGrath signed up with the Civic Crusade. I don't know whether he signed. The opposition is demanding that certain conditions be met prior to a national dialogue, and we are going to find that government sectors are going to be doing the same.

"Since the majority of Panamanians are Christian, we do feel the church should participate in the dialogue. [Words indistinct] they chose the other side. Therefore, since they took sides, they have to participate on one of the sides. No one is denying them the right to participate. Quite the contrary, we suggested the Panamanian Bishop's Conference choose the people to represent the Catholic Church. They have made their stand public; they have a stand. They have released their own resolutions. Everyone in the country knows that the church has its views regarding the national problem."

The CONATO and FENASEP spokesmen said the two parties should state their preconditions and then sit down to talk. Regarding the possibility that, with the recently adopted measures, Panama is taking a turn to the left, Aleman said:

[Aleman] "This proves they are running out of excuses. That is old stuff. When they find themselves running out of excuses, they turn to that old trick and yell communism. They have created havoc in Latin America with that trick. The only ones who end up paying the consequences are the people. The only ones who will pay the consequences in the end will be the Panamanian people. That was the case of the 75 years prior to 1968 when we had, quote, democracy, unquote; 75 years during which the popular movement had to remain in hiding because they were murdered or sent to prison. They used the old communism trick to do all this."

## Delegates Address Solidarity Conference

### PRD Leaders

PA302022 [Editorial Report] Panama City Domestic Service in Spanish at 1530 GMT on 29 March, in covering the continuing Latin American and Caribbean Conference on Solidarity with Panama, begins carrying speeches by Dr Nils Castro, the Democratic Revolutionary Party's (PRD) national secretary for international relations, and PRD President Romulo Escobar Bethancourt.

Nils Castro speaks first. He thanks Dominican delegate Royce Douglas for having suggested the solidarity meeting. Castro's speech focuses entirely on "the serious violations of international law by the incumbent U.S. Government—which threatens all countries in the region—against the Republic of Panama." Castro then lists a large number of violations of agreements between the United States and Panama, and of the OAS and UN Charters.

Escobar follows Castro. Escobar recognizes several of the nations represented at the meeting and stresses that they have faced U.S. aggressions throughout their history, mentioning Nicaragua and Cuba in particular. He praises the late General Omar Torrijos Herrera's nationalist struggle, describing him as "the maximum exponent of Panama's struggle for full and absolute sovereignty."

Turning to the current problems with the United States, Escobar says that "we Panamanians have pointed out the real causes for this aggression." He says: "It is not General Manuel Antonio Noriega. It is not that there is a military dictatorship in Panama." The real reason, he says, is that "the United States is looking for ways to avoid fulfilling the Panama Canal treaties, to keep its troops in Panama, and to avoid turning over the canal to Panama in the year 2000."

Escobar adds that this is not the only U.S. cause. "I said when I began my speech that we are also paying a price for our position regarding the sister Republic of Nicaragua and the conflicts plaguing the Central American region," he says. Escobar notes that Gen Noriega is being victimized through propaganda, indictments, and false accusations in the United States because Gen Noriega refused to participate in a plan to invade Nicaragua proposed by the United States.

Escobar stresses that the United States trained the Defense Forces, FDP, but could not innoculate them with unpatriotic or treasonous attitudes, and, for this reason, the United States wants to destroy the FDP. He argues that since the campaign to destabilize Panama reached its height in June 1987, the FDP's midlevel officers began demanding the withdrawal of the U.S. Southern Command from Panama.

Escobar turns to Gen Noriega's indictment on drug trafficking and other charges by U.S. courts. He says: "We do not accept the jurisdiction of U.S. courts in our country or on its men unless those Panamanians are in the United States." He then stresses that President Eric Arturo Delvalle claimed those reasons for removing Noriega from his post on orders from the United States. "We Panamanians cannot accept this, and this is what we want the American Continent to know," Escobar adds.

Escobar says that Panamanians themselves must find the solution to their problems through dialogue. "To contribute to this dialogue, to help find this solution among Panamanians, Gen Noriega placed his post at the disposal of President Manuel Solis Palma," he notes, adding that he did so to disprove the falsehood that he intends to stay forever in his post.

Finally, before closing his speech, Escobar says: "We Panamanians are prepared to resolve our internal problem peacefully without kneeling, groveling, or accepting U.S. blackmail or economic pressures."

### Foreign Delegates

PA301408 [Editorial Report] Panama City Domestic Service in Spanish at 1714 GMT on 29 March, in covering the continuing Latin American and Caribbean Conference of Solidarity with Panama, begins carrying speeches by members of the attending delegations.

Jesus Montane Oropeza, member of the Central Committee of the Communist Party of Cuba and deputy of the Cuban National Assembly of the People's Government, is the first visitor to speak.

After briefly greeting those in attendance and noting that the participants are in Panama "to express our unyielding solidarity with the brother Panamanian people," Montane begins to attack the United States, saying that the Panamanians are "enduring U.S. interference in their internal affairs, accompanied by brutal and illegal economic pressure and the threat of a direct act of aggression." He blames the "most recalcitrant sectors of U.S. society and some Panamanian oligarchic sectors" for the situation.

Montane says the U.S. Administration is totally immoral, as seen by its actions in the Dominican Republic, Chile, Grenada, Nicaragua, and Cuba, and is seeking to reverse political and social processes that are born of "oppression, exploitation, pillage, misery, and our people's increasingly intolerable living conditions."

Montane warns that this "irresponsible" policy, which seeks to "crush inexorable changes with violence in order to preserve selfish interests," will lead to "explosions of incalculable magnitude."

Montane says the U.S. actions in Panama are no more than a manifestation of the Reagan administration's policy as outlined in the "notorious" Santa Fe document, this time using its "recourse par excellence: the manipulation of public relations techniques and the mass media."

After praising the Panama Defense Forces, FDP, for their nationalistic and patriotic stance, Montane says that Cuban Commander in Chief Fidel Castro Ruz has said on various occasions that the attacks on General Manuel Antonio Noriega are actually attacks on the FDP, and, consequently, on the Panamanian people's interests.

Montane adds that the United States equates defense of democracy with defense of its own interests. He says the United States wants "a democracy that would prevent the return of the canal to the Panamanian people" "and that would cooperate in intervention in Central and South America and in the Caribbean. It is a democracy that would permit the United States to continue using the military bases in Panama without restrictions beyond the year 2000 and maintain illegally the Southern Command headquarters as the main advance outpost for military intervention, aggression, blackmail, intimidation, pressure, and other expressions of its policy of force against the Latin American and Caribbean peoples."

Montane says the Reagan administration opposes a negotiated solution to the Panamanian problem because it wants the Panamanian Government to be in the hands of a few turncoats. He says it is the duty of the world's peoples to understand the "dangerous precedent" being set by the illegal economic measures that have been adopted. He says: "A precedent is being set for all our countries, whose institutions and leaders could be the target of U.S. propaganda machinations."

Montane closes by calling for the Panamanian people to find their own solutions, saying that to allow the Reagan administration to be successful in its plans against Panama would mean "a defeat of incalculable consequences" for the continent and all Third World countries. He calls on all progressive, nationalistic, democratic, and revolutionary forces in Latin America and the Caribbean to show solidarity with Panama.

Grenada's Kendrick Radix, former minister in the Maurice Bishop administration, follows Montane. He speaks in English with simultaneous translation into Spanish.

Radix begins by saying that the significance of the solidarity meeting is that it shows that Panama is not alone in its fight against the United States. He says that Cuba, Jamaica, Trinidad, and the other countries, like Panama, are all saying "no to U.S. aggression."

After tracing Grenada's revolutionary history and its fight against imperialism, Radix says that former Grenadian Prime Minister Maurice Bishop, a man from a small country, "stood up and told the United States of America, in the name of our nation, in the name of our region, and in the name of the fighters of the world: We are not in anybody's backyard."

On Panama, Radix says: "When they say that Panama is antidemocratic, you must realize that Panama is fighting for its national liberation. Whenever they stop fighting us, it is because they can control us." He says that the United States has unjustly found Noriega guilty without trying him. He says that the people of the region must unite to fight imperialism and defeat it.

Haiti's (Anselm Remy) follows Radix and begins speaking in French with simultaneous translation into Spanish.

(Remy) expresses solidarity with Panama on behalf of the Haitian people and on his own behalf. He assures the Panamanian people that they are not alone and that imperialism can be defeated, because it has historically been defeated by the people's will.

## Solis Speech, Solidarity Conference Praised

*PA301416 Panama City MATUTINO in Spanish 29 Mar 88 p 4*

[Editorial: "The Truth About Panama in Central America and the Caribbean Right Now"]

[Text] Genuine representatives of popular groups from nations on the Central American isthmus and in the Caribbean are gathered at the Atlapa Convention Center to clearly express their staunch solidarity with Panama and its people, government, president, and Defense Forces.

The event has the characteristics of a preliminary agreement to create a movement that will undoubtedly include all the countries on the continent within a short time. Thus, a vast majority of nations in the New World will state that our people are tired of having their sovereignty countered by the capricious wishes of another nation and race, which specifically claims the right to choose the destiny of all other human beings on earth. That same nation is trying to attain this illusory goal by using pressure, intimidation, misinformation, and a big stick.

It is important to emphasize that within the framework of the inaugural meeting of the first Conference of Solidarity With Panama, the president of the Republic, Manuel Solis Palma, gave a speech in which he emphasized that his administration's main goal will be to guarantee the poor sectors' welfare. The statement is particularly important right now because the destructive forces of Mr Reagan. his administrative lackeys, and the Panamanians who play his game are aimed at weakening and impoverishing a poor country, whose sacrifices and altruism made the United States stronger and richer because it had the canal.

Dr Solis Palma's speech does not outline the profile of an abyss between the rich and poor who live in Panamanian territory, and his speech does not encourage a division in other nations' societies. However, the speech does represent a rallying cry to all those who wish to join the army comprised of millions of human beings who face the drama of living in a subhuman world of urgent needs, mandatory and frequent fasting, an unhealthy environment, and a dignity trampled by the weight of pervasive poverty.

The first conference of solidarity with our cause is the most appropriate place to state that Panama's truth will once again prevail over the effrontery and despotism used against our country by all the Reagans who today are trying to seize our country as a beachhead to impose their all-embracing will.

Consequently, the dilemma has been outlined in this way: Either Panama becomes—with the help of all the other nations that see their immediate future being threatened—a strong wall that restrains that audacious, insolent, and arrogant U.S. imperialism; or else those same nations better be prepared to carry the "U.S.A." brand that the cowboy-elevated-to-president is trying to burn on their backs during the rodeo in which he [President Reagan] wants to act as the main figure, and thus those nations should be prepared to say, paraphrasing the other one: "I took Latin America [preceding four words in English]."

### Columnist Warns of U.S. Economic Blockade

*PA300452 Panama City CRITICA in Spanish 28 Mar 88 p 4*

["Political Coliseum" column by Baltazar Renan Aizpurua:"The Traitors' Next Step"]

[Text] According to my revolutionary principles, I am in favor of telling people the truth, the whole truth, even when its crude reality often makes it difficult to accept. I also believe that when the masses know the truth and believe in what they are fighting for, they have greater spirit and determination and are prepared to make any kind of sacrifice, regardless of the consequences.

Because of this, I feel it is my duty to warn our people that instead of dying down, the U.S. imperialist attacks will become even stronger. An economic blockade will be the next step. This would mean the suspension of all kinds of trade with the United States and practically a break in all relations. The United States, in its obsession to force us to submit, thinks that because of Panama's dependence on the United States from its birth as a republic, something that has been a failure in Spain, in Cuba, and more recently in Nicaragua could work here. Those nations have at different times been the target of a blockade. Other countries and other revolutions, such as the Soviet revolution, have also been subjected to this practice, and they all survived.

A trade blockade would be the last economic measure applied against the Panamanian people before an armed Yankee intervention, which is the only recommendation the local traitors have made to overthrow and annihilate the Torrijist national liberation project, today led and commanded by General Manuel Antonio Noriega. Meanwhile, the U.S. agencies continue their efforts to buy the conscience of other military men, promising them power and riches but later liquidating them. Remember Dominican dictator Rafael Leonidas Trujillo, Venezuelan Marcos Perez Jimenez, and Nicaraguan Anastasio Somoza. They were all, as Franklin Delano Roosevelt said, "sons of bitches," but they were his sons of bitches.

I would like to direct your attention to a very clear warning by constitutional Panamanian President Manuel Solis Palma in his most recent address to the nation when he said: "Either we have a nation in peace and harmony or a colony torn apart by violence and anarchy."

If we analyze the profound meaning of the president's words, we will see that if the call for a dialogue to find formulas for reconciliation and to find our own solutions to Panamanian problems as a product of our own will is rejected, there is no other recourse: Those of us who advocate national liberation and the defense of the nation's dignity and of our fatherland's sovereignty will take the drastic measures called for in this situation.

We absolutely cannot let the traitors have a free hand, because they will continue scheming so the Yankee Marines will come to murder, rape, insult, and alienate our people. No foreign armed intervention has ever been done with chocolate bars or chewing gum. And no people boasting a love for their country's sacred soil can submissively accept the foreign military boot. The United States may have all the military power it needs to drown the nation's independence in blood, but it can never, ever eradicate the teachings of dignity given to the Panamanian conscience by its martyrs and by Omar Torrijos and "Tony" Noriega, the commanders of national rebellion.

Ronald Reagan's criminal government may dismay us, but it will never defeat us. The national resistance, transformed doubtlessly into a continental struggle, will have to constantly harass the Yankee soldiers if they dare to tread on our country's soil. Likewise, the revolutionaries and patriots that survive the U.S. criminal action will be given the duty of executing the traitors. The traitors will never be able to govern these brave people as proconsuls because revenge will be in the people's minds and hearts. And they will not be able to rule because they already bear the stigma of committing high treason against the fatherland.

So they may be known by this generation and by future generations and so there will be a historic register, here is the list of the main traitors: Eric Arturo Delvalle, Gabriel Lewis Galindo, Roberto Diaz Herrera, Ruben Dario Paredes, Jose Isabel Blandon, Juan B. Sosa, Alberto Garcia de Paredes, Roberto Eisenmann, Ricardo Arias Calderon, and Jose Bernardo Cardenas.

### Abrams Statements on Noriega Criticized

*PA302020 Panama City LA REPUBLICA in Spanish 29 Mar 88 p 4*

[Article by Victor A. Mirones Jr.: "Abrams, Get Your Hands Off Panama"]

[Text] Elliott Abrams, a second-rate U.S. Department of State official, whose base of operations is Latin America, has once again spewed his strongly fascist bile on General Noriega.

In his desperate eagerness to get the commander of the Panama Defense Forces out of the country, the Department of State's would-be Superman told THE NEW YORK TIMES that the United States had studied the possibility of requesting Costa Rica to extradite the Panamanian officer if he had traveled to Costa Rica over the weekend.

Abrams also said that he hoped Gen Noriega would lose some sleep over his statements.

However, Shultz and Reagan's messenger boy went even further and claimed that the Reagan administration might invoke special powers already used against Libya and Iran.

In order to understand this language of the U.S. West's cowboy movies, in which Ronald Reagan used to act, it is necessary to mention other statements by Mr Abrams.

In view of the fact that U.S. foreign policy makes one mistake after another, it became necessary for the Reagan administration to explain to world public opinion the reason why, after almost 10 months of pressure, Gen Noriega and the Panamanian Government have not fallen. The U.S. Government had intended to replace the Panamanian Government by a puppet regime that would allow it to keep its military bases in our country and to keep the canal instead of returning it, as agreed upon in the Torrijos-Carter Treaties.

Under those circumstances, it was necessary to use the local Blandon [Jose I. Blandon, former Panamanian consul in New York] (Abrams) to say that the Yankee government had underestimated Gen Noriega's staying power, despite the powerful pressures exerted on him.

This fact has finally hit home to the U.S. Administration in light of the massive popular support enjoyed by both Gen Noriega and President Manuel Solis Palma's government; so now it is resorting to using blackmail against Noriega, "scaring" him with the possibility of a kidnapping and threatening Panamanians with bombing the general's quarters, just as it bombed Al-Qadhdhafi's in Libya.

Because that is exactly the meaning of Under Secretary Abrams' words, whom his bosses Reagan and Schulz have ordered to justify the failure of the plan led in Panama by Ambassador Davis and Mr Maisto [U.S. Embassy deputy chief of mission]. He should also explain why the incompetent Panamanian oligarchy with its opposition political parties and civic organizations has been unable to present a political platform that can win over the Panamanian people to gain political power by way of clean and honest elections, such as President Solis Palma's government is ready to sponsor.

This blackmail and long-distance scares will not prevail, because we are united here and willing to confront any U.S. military aggression, even at the cost of our lives.

## Argentina

### 6th Anniversary of Falklands 'Recovery' Noted

*PY301506 Buenos Aires TELAM in Spanish 1243 GMT 30 Mar 88*

[Text] Buenos Aires, 30 Mar (TELAM)—Army Chief of Staff General Dante Caridi has stated that the heroic Malvinas deed has once again demonstrated the virtues of the Argentine soldier, who at that time acted with an inspiration similar to those who achieved independence, who consolidated national unity, who threw back the invaders of our borders, who added the desert to the national territory, and those who stopped terrorist subversion from destroying the nation.

Caridi's remarks are contained in his message marking the 6th anniversary, on 2 April, of the start of the military operation in the Malvinas Islands. He lauds the heroic enterprise of their recovery by the Argentine Armed Forces who, with this action, demonstrated their unrestricted willingness to place themselves at the service of the fatherland, without taking into consideration the extent of the effort nor the importance of the sacrifice, in trying to achieve that very important objective.

Caridi's message was read during the ceremony that took place on the parade grounds of Libertador Building, where the Army Staff's headquarters are located. Brigadier General Alfredo Allirraga, the Army's director for programming, presided over the ceremony.

In his message, which was read by Colonel Jose Negreti, the programming director's aid-de-camp, Caridi states that the land battle for the islands demonstrated the heroic resistance of our troops when facing an enemy that was superior in its weaponry and that defeat came about without undermining military honor.

After Caridi's message was read, Msgr Manuel Martin, the chaplain of the Army Staff, pronounced a homily, and the ceremony concluded with the traditional 1 minute of silence honoring those who fell in combat.

In Bahia Blanca. [subhead]

General Humberto Ferucci, commander of Army V Corps, in Bahia Blanca presided over the ceremony commemorating the 6th anniversary of the start of military operations in the Malvinas. Caridi's message was read during the ceremony.

The ceremony took place on the Lomas Valentinas parade ground of the 181st Communications Batallion.

### 'Campaign' of False Bomb Threats Reported

*PY310051 Buenos Aires TELAM in Spanish 1929 GMT 30 Mar 88*

[Text] Buenos Aires, 30 Mar (TELAM)—A psychological campaign to upset the population was launched today. Several anonymous phone calls alerted different metropolitan establishments of explosive devices in their premises. They were all false alarms.

The firms that received the threatening phone calls included branch No 11 of Citibank, the downtown Roma Pizza Shop, the Official Bulletin central office, the downtown branch of the Bank of Boston, and Fernandez, Rivadavia, and Pirovano hospitals.

Federal Police explosives brigade experts rushed to the different areas and evacuated, in most cases, all the personnel. Careful searches yielded negative results in all cases.

Yesterday President Raul Alfonsin alerted the population to the activity of some people who would do anything to destroy democracy, but added that they would not succeed. He laid the implicit responsibility on officers who went underground after last January's revolt.

### Cordoba Bomb Causes Damage; No Casualties

*PY302200 Buenos Aires Domestic Service in Spanish 1600 GMT 30 Mar 88*

[Excerpt] A bomb went off at 0220 today in Cordoba in front of a shop owned by the Pompa Company at 350 Buenos Aires Street, a few blocks from the downtown Cordoba area.

The explosion caused damage but no casualties because there were no passers-by in the area at the time. The police have not been able to identify the perpetrators, but local political circles have said that it is probably linked to the 1st anniversary of the Easter week uprising. [passage omitted]

### Army Staff Repudiates Wave of Bombings

*PY310044 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2319 GMT 30 Mar 88*

[Text] Buenos Aires, 30 Mar (NA)—Today the Army General Staff repudiated "the cowardly attacks" perpetrated in this capital and elsewhere in the country and termed "despicable" these terrorist acts, which injured some people and caused panic among the population.

In a communique released tonight, the Army stated that perpetrators of these attacks deserve to be "morally disqualified," not only by Argentine society but also by all those "who are identified with the Army spirit."

The communique also confirms "the desire to serve the democratic system" demonstrated by the Army "on several occasions."

The text of the communique follows:

"The Army General Staff wants to make public its repudiation of the cowardly attacks perpetrated in several places of the country, which have endangered the lives of innocent citizens and of members of the forces of order.

"The Argentine Army, which on several occasions has demonstrated its desire to serve the republican system, has full confidence that the adoption of appropriate measures by the country's institutions will help identify and punish the criminals and safeguard the country's tranquillity.

"The perpetrators of these despicable acts deserve to be morally disqualified by Argentine society, and especially by those who share the Army spirit."

### Rico Condemns Attacks

*PY310129 Buenos Aires DYN in Spanish 2314 GMT 30 Mar 88*

[Text] Buenos Aires, 30 Mar (DYN)—Today the leader of the Holy Week and Monte Caseros military uprisings, Lieutenant Colonel Aldo Rico, repudiated the recent bomb attacks and stated that they are "absolutely absurd and against the spirit of 'Operation Dignity,'" which he led on those occasions.

In a communique distributed here by his lawyers, Rico termed those acts of violence as "criminal terrorist attacks."

Rico, who is currently in custody at the Magdalena military prison, criticized the state-controlled communications media because they influenced the people to hold him and his followers responsible for those recent attacks.

The communique states: "In view of the daily acts of violence that are occurring with increasing frequency, including attacks and robberies, escapes from prison, etc., for which the state-controlled media are suspiciously leading the people to believe that we are responsible, I want to express my absolute repudiation of these attacks because they are totally absurd and opposed to the spirit of 'Operation Dignity.'"

### Mozambican Tours Agriculture Institute

*MB310546 Maputo Domestic Service in Portuguese 0500 GMT 31 Mar 88*

[Text] Yesterday in Cachari, in Argentina's Buenos Aires Province, President Joaquim Alberto Chissano said the work of the Argentine National Institute for Agriculture and Livestock, INTA, can help Mozambique and other SADCC [South African Development Coordination Conference] members.

President Joaquim Chissano said our country will immediately take the necessary steps to implement cooperation with the INTA. The Mozambican head of state was speaking during his visit to the institute yesterday afternoon. He was accompanied by Argentine Vice President Mario Cassa [name as heard].

According to Ricardo Malave, our correspondent in Buenos Aires, President Joaquim Chissano will leave Argentina tomorrow. Today, on the last day of his stay in Buenos Aires, he will be there on an unofficial basis.

### Cites RSA Violations

*MB311038 Dakar PANA in English 1014 GMT 31 Mar 88*

[Text] Maputo, 31 March (AIM/PANA)—Mozambican President Joaquim Chissano has accused South Africa of "frontally violating" the Nkomati Non-Aggression Accord that it signed with Mozambique in 1984.

Chissano was speaking at a dinner in his honour in the Argentine capital, Buenos Aires, and Radio Mozambique Wednesday broadcast extracts from the speech.

The president said there was a mountain of evidence of South Africa's violations of the Nkomati Accord and referred to a most recent testimony by a former leader of the MNR [Mozambique National Resistance] bandits, Paulo Oliveira, who confirmed continued South African logistic support for the bandits.

Pretoria, he said, "ignores the most elementary norms [words indistinct] nothing other than an extension of the South African Armed Forces", continued the Mozambican leader. "Using these bandits South Africa is waging an undeclared war against our people".

He added that, in addition to destroying strategic economic structures, and wrecking schools and hospitals, the bandits "[words indistinct] young boys and teach them to kill. This is a cruel and inhuman war. It is a war imposed against [words indistinct].

Turning to possible cooperation between Mozambique and Argentina, Mr Chissano said that the thousands of kilometres that separate the two countries are "a minor

difficulty" that could easily be overcome, given the convergence of interests and ideas that they both defend inside the Non-Aligned Movement, and in terms of South-South cooperation.

For his part, host President Raul Alfonsin declared that Mozambique could count on the solidarity of Argentina.

Argentina is the first stop on a tour of Latin America that will also take Chissano to Cuba and Nicaragua.

## Bolivia

### No Military Action Against Chile Intended

*PY310015 La Paz EL DIARIO in Spanish*
*26 Mar 88 pp 1, 5*

[Excerpt] Bolivia does not intend to take any military action against Chile and will continue seeking a solution to its landlocked situation.

Yesterday the Foreign Ministry issued a communique in response to comments by a Chilean Foreign Ministry official, who referred to remarks made by President Victor Paz Estenssoro on 23 March.

The Bolivian Foreign Ministry feels that its Chilean counterpart systematically makes negative remarks every time the issue of the Bolivian landlocked situation is mentioned.

The communique states:

The morning dailies of 25 March 1988 published remarks attributed to a Chilean Foreign Ministry official stating that Bolivia "must drop its revisionist attitude" concerning the century-old problem of its landlocked situation, a problem for which Chile is inexcusably to blame. These comments followed remarks by President Victor Paz Estenssoro on this issue, which is a consequence of the war of aggression that Chile waged against Bolivia and Peru in 1879. [passage omitted]

The speech by President Paz Estenssoro at a ceremony marking the 109th anniversary of the death of Bolivian hero Eduardo Abaroa was again marked by a conciliatory and Americanist tone, which has been Bolivia's constant policy in its relations with other Latin American nations, and especially with its neighboring states. The Bolivian chief executive said: "We must use reason against force," adding that "the contemporary trend involves easing tensions, sharing the benefits of peace and goodwill, and seeking ways of reconciliation and joint tasks for integration."

Bolivia's democratic president also said: "It does not make any sense for Chile to repeat time and again that there is no issue pending with Bolivia when indeed there is a problem to resolve without harming the vital interests of either country."

Bolivia will not abandon its effort to recover what it once owned and was seized from it in a war of expansionist aggression, to gain—resorting to the peaceful means established by modern international law—its own sovereign, useful, and continuous-territory outlet to the Pacific Ocean, a goal supported by all the Latin American nations and recently mentioned by U.S. President Ronald Reagan in a speech in Washington.

Bolivia does not intend to take any military action against Chile, either alone or in alliance with other countries, and will continue seeking a solution to its landlocked situation, a fact that should not prompt Chilean Foreign Ministry spokesmen to systematically make negative remarks every time this issue is mentioned in Bolivia, which was unjustly landlocked by the anachronistic Treaty of 1904 imposed when Bolivian territory was occupied by the Chilean Army, a fact that invalidates any Chilean remarks that purport to portray Chile as a just, pacifist, and integrationist nation.

## Brazil

### PMDB Loses Majority in Constituent Assembly

*PY310244 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Mar 88 p A-7*

[By Mauro Lopez]

[Text] At the opening of the Constituent Assembly on 1 February 1987, the PMDB had an absolute majority of votes. With the defection in the last few days of several of its representatives in the Assembly, the PMDB has lost its absolute majority in the Assembly. According to party leaders, the 304 deputies and senators the PMDB had in February 1987 have been reduced to 278 (absolute majority in the Assembly is 280 votes). As a matter of fact, the PMDB congressmen number only 277, but this includes Sao Paulo Deputy Joao Cunha, who defected to the Democratic Workers Party [PDT] the day before yesterday. The PMDB leaders only register affiliations and defections when they are officially announced at the Assembly's rostrum, which Deputy Cunha has not done yet.

Since the beginning of the Assembly activities, 29 PMDB congressmen have left the party, and two—Deputy Ottomar Pinto (former deputy of the Roraima Brazilian Labor Party, PTB) and his wife, Marluce Pinto, also from Roraima—joined the PMDB. This intense movement, mainly toward the exit door, has reduced the number of party congressmen to 277. The exit door, however, is still not closed—very much the opposite. Next week, Senator Gerson Camata (PMDB-ES) and his wife, Deputy Rita Camata, also from Espiritu Santo, will probably announce their defection. Senator Teotonio Vilela Filho Alagoas and Deputy Koyu Iha (Sao Paulo) are also going to announce that they will leave the PMDB.

Most of the congressmen leaving the party—19 out of 29—were part of the so-called PMDB "progressive" group. The Minas Gerais State bloc, however, lost the most congressmen: nine PMDB congressmen from Minas Gerais have already left the party. Mato Grosso State runs second in the number of congressmen who left the PMDB: the Mato Grosso bloc of PMDB congressmen decreased from seven to three. Fourteen of the 29 congressmen who left the PMDB have not registered with any other party yet. Seven former PMDB congressmen have already registered with the PTB, thus compensating for the defection of the Pinto couple. Four former PMDB congressmen have registered with the Brazilian Socialist party; and two—Joao Cunha and Nelson Aguiar (Espirito Santo)—with the PDT. The two congressmen who yesterday announced in the Chamber of Deputies that they will leave the party—Deputies Jose Costa (Alagoas), and Tadeu Franca (PR)—still have not joined a party. In addition to the psychological shock of having lost the absolute majority at the Assembly, this mass defection has another shocking aspect: the party which once had the sole right to write the text of the new constitution can no longer approve any amendment without making alliances with representatives of other parties.

### Government Announces Economic Measures

*PY301432 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Mar 88*

[Text] Planning Minister Joao Batista de Abreu has announced some economic adjustment measures that have been approved by President Jose Sarney which seek to curb public expenditures. Several state and autonomous companies will be either closed or privatized. The privatization program will be coordinated by the Federal Council for Privatization [Conselho Federal de Desestatisacao]. Employees of those companies which will be closed will have to apply for public service jobs. If they are not accepted they will be fired. But there will be incentives for those interested in submitting their voluntary resignation. Moreover, the government will pay the equivalent of six salaries for those who choose to leave public service jobs.

The president has submitted to Congress a draft bill establishing special procedures for the privatization of companies. Through this special measure, the government will keep its control over state-owned companies despite the fact it does not own the majority of the resepective stocks.

Minister Joao Batista de Abreu has said the government intends to privatize the majority of state-owned companies.

[Begin recording] [(Cristina Eligiao)] The planning minister has admitted that these measures will not have an immediate impact on the government's (?income). He added that the government intends to privatize all companies that are necessary.

[Abreu] The government has been aware for a long time that it is less efficient than the private sector. It is our wish to privatize those companies that can feasibly be privatized; everything that [words indistinct] private sector.

[(Eligiao)] Regarding salaries within the public sector, Minister Abreu said the Finance and Planning Ministries are making studies in this regard but that they have not yet arrived at any conclusions.

He added that if there is no definition regarding salary readjustments based on the URP [Price Reference Unit] by the beginning of next month, the URP percentage will be paid in April. [sentence as heard] [end recording]

Salaries will be increased as of April. The basic salary will be 7,260 cruzados.

[Begin Ireneo Tamanini recording] As of 1 April, the basic salary will be 7,260 cruzados instead of 6,240. The decree was signed on 28 March by President Jose Sarney.

According to Finance Minister Mailson da Nobrega and Labor Minister Almir Pazzianotto the salary readjustment totals 16.3 percent. They added that the goal is to gradually raise the basic salary so that by the end of the Sarney administration the basic salary will be equivalent to $100.

Through another decree, President Sarney has readjusted the minimum salary. Therefore, as of 1 April, the minimum salary will be 4,932 cruzados instead of 4,248 cruzados. This means the minimum salary experienced a readjustment totalling 16.1 percent. [end recording]

### Military To Meet With Sarney on Salary Policy

*PY301707 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Mar 88 p 21*

[Text] Today Army Minister General Leonias Pires Goncalves, Aeronautics Minister General Octavio Julio Moreira Lima and Navy Minister Admiral Henrique Saboia will hold separate meetings with President Jose Sarney to convey their opposition to the changes in the salary policy for public employees. The three ministers will endorse the proposals submitted by Labor Minister Almir Pazzianotto and Administration Minister Aluizio Alves, who support the use of the Price Reference Unit (URP) to adjust the salaries of public servants.

The ministers have stated that if the government decides to freeze the URP, the measures will have to be applied to all categories of workers, and according to them the freeze should also affects prices. Furthermore, they feel that if "a sacrifice" is to be made for the country, it should be shared by the whole society.

Yesterday morning General Waldir Martins, Lieutenant Brigadir Fernando de Assis Martins Costa, and Admiral Hugo Stoffel, chiefs of staff of the Army, Air Force, and

Navy respectively, met with General Paulo Roberto Coutinho Camarinah, chief of the Armed Forces General Staff (EMFA), to discuss administrative matters and the salary of civilian and military employees. They have decided not to give up the URP for two reasons: they have already publicly opposed any kind of change in the salary policy of public servants; and the acceptance of a new economic proposal from the government, such as changes in the URP, might impair the morale of those under their commands.

They also analyzed the problems President Sarney has been encountering within the government in his efforts to resolve the public deficit. They say that the measures to be adopted by the ministers of the economic team will have a positive effect on the administrative sector within 2 or 3 months.

The Air Force General Staff (EMAER) will meet this morning, and the results of this meeting will be submitted to Aeronautics Minister Brigadier Moreira Lima before the meeting he will hold today at 1630 with President Sarney at Planalto Palace.

**Sarney, Alfonsin, Sanguinetti To Meet 6-8 Apr**
*PY302348 Brasilia Domestic Service in Portuguese 2200 GMT 30 Mar 88*

[Text] Presidents Jose Sarney, Raul Alfonsin, and Julio Maria Sanguinetti will meet on 6-8 April. Foreign Minister Abreu Sodre said the meeting will be the first step in the execution of a firm policy of unity among Latin American countries.

Minister Abreu Sodre also expressed concern about the Brazilian foreign debt and revealed that Itamaraty is participating in the negotiations jointly with the ministries of the economic area.

[Begin Sodre recording] The issue of the Brazilian foreign debt is high on the government's agenda. We have to devise a formula to safeguard our country's sovereignty and development. The debt cannot be paid at the expense of the country's development or the expectations of the Brazilian people. [end recording]

## Chile

**Copper Workers Confederation Supports No Vote**
*PY301236 Madrid EFE in Spanish 1921 GMT 29 Mar 88*

[Text] Santiago, Chile, 29 Mar (EFE)—The Confederation of Copper Workers (CTC), one of the most important Chilean union workers decided during its latest annual congress to ask its more than 20,000 members to vote "no" in the upcoming plebiscite.

CTC President Nicanor Araya described the decision to vote "no" as a "flat rejection not only of General Pinochet but of the Constitution and the regime." The CTC Congress also agreed to support the efforts of Chilean labor leaders to create the so-called united central organization of Workers [Central Unitaria de Trabajadores] (CUT).

The CTC Congress, which ended yesterday in Antofagasta, 1,400 km north of Santiago, noted 59 to 5 to urge the rank-and-file organizations to vote against the Armed Forces proposal at the upcoming plebiscite.

According to the Constitution promulgated by Gen Pinochet, the Armed Forces will submit to a plebiscite the name of the presidential candidate for the 1989-97 term and only if the majority of the Chilean vote "NO," would direct elections be held in 1990.

**Santiago RN Neighborhood Leader Attacked**
*PY310217 Santiago Domestic Service in Spanish 2300 GMT 30 Mar 88*

[Excerpt] Guillermo Navarro Salinas, a neighborhood leader for the National Renewal [RN] party, was the target of an attack by unidentified individuals.

Police sources have said the attack occurred at the intersection of Altiplano Street and Alejandro Sepulveda Street in the Penalolen district of Santiago.

Navarro Salinas is president of the Panalolen No 18 neighborhood board. He was wounded in the right leg.

The police said that Guillermo Navarro Salinas was intercepted by two men and a woman after he left his house.

The woman fired many times, missing Navarro Salinas, and one of the unidentified men, wielding a sawed-off shotgun, shot Navarro Salinas at point-blank range.

According to some municipal workers who were near the scene of the attack, the attackers acted in cold blood. [passage omitted]

**Bomb Damages Temuco Newspaper Building**
*PY302055 Santiago Domestic Service in Spanish 1700 GMT 30 Mar 88*

[Text] A bomb exploded in front of the LA NACION newspaper office in Temuco early this morning. The explosion caused extensive damage to the newspaper building, the Gabriela Mistral Girls School, and part of the Continental Hotel. These three buildings stand together just 1 block from Temuco's main square. The alleged terrorist bomb was placed against the iron gates of LA NACION and broke some 500 windows in the newspaper building. It damaged all the other buildings on Antonio Varas Street between Vicuna Mackenna and General Lagos Streets.

### Police Seize 'Subversive Material,' Arrest 2

*PY302102 Santiago Domestic Service in Spanish 1700 GMT 30 Mar 88*

[Text] Investigative Police today seized subversive material near Central Station in Santiago and arrested two individuals who were identified as Domingo Ruvira Ruiz, 47, and (Juan Montecinos), 20. Both are members of a subversive Socialist Party cell. Police also found extremist literature, truncheons, [words indistinct] elements for hand-to-hand combat, subversive bulletins, posters, and pamphlets on the same premises where the two individuals were arrested. They will be placed at the disposal of the military courts during the afternoon.

## Colombia

### Rebels Kill 4 Huila Policemen; Theater Bombed

*PA310303 Bogota Emisoras Caracol Network in Spanish 1215 GMT 30 Mar 88*

[Excerpts] Four policemen were killed when guerrillas seized the (San Antonio del Pescado) police station last night. The takeover began at 1650 and lasted until approximately 2100. The guerrillas destroyed the police station with high-powered weapons, [words indistinct] and apparently rockets. According to what the guerrillas told the population, the attack was carried out by the FARC's 3d and 15th Fronts. [passage omitted]

The subversive group, which was made up of approximately 200 men, apparently also suffered a large number of casualties. The subversives carried away the dead and wounded guerrillas. Electricity and telephone communications were cut, barns were looted, and money and food was stolen. [Words indistinct] this violent action in the second most important city in Huila Department.

In Bogota, the First Latin American Theater Festival will resume tonight at 1900 despite the terrorist attack that occurred last night at the National Theater. A dynamite bomb exploded in one of the bathrooms when the theater had a full audience, including Argentine Ambassador to Colombia Daniel Olmos. The National Theater's modern facade was partially destroyed. Fortunately no one was killed in the attack, but a security guard was slightly injured. More than 400 people who were watching Argentine playwright Roberto Costa's work, "Gepetto," had to quickly evacuate the theater, and some were injured in the rush.

Hours after the attack, which was widely condemned, the previously unknown National Socialist Civic Workers Movement [Movimiento Obrero Civico Nacional Socialista] claimed responsibility for the terrorist action against the National Theater. The group is apparently right wing and is the same one that claimed responsibility for the massacre of 14 workers of the Uraba banana plantations. [passage omitted]

### Briefs

#### Decrease in Oil Production

The Colombian Government has said oil production and export capacity will decrease due to external difficulties. The total revenues for Ecopetrol [Colombian Petroleum Enterprise] will be limited as a result. A national planning study indicates that Ecopetrol's oil production might only increase by 9 percent this year, and only an average of 38,500 barrels of oil will be produced daily. [Text] [*PA310455 Bogota Emisoras Caracol Network in Spanish 1215 GMT 30 Mar 88*]

## Paraguay

### Saguier Asylum Request 'Not Appropriate'

*PY310105 Asuncion RPC Television Network in Spanish 2300 GMT 30 Mar 88*

[Text] In an interview with journalists, Interior Minister Sabino Augusto Montanaro discussed several topics, including his meeting with the chief justice and the political asylum requests by Napoleon Ortigoza and opposition politician Hermes Rafael Saguier.

[Begin recording] [Montanaro] We only talked about administrative topics and nothing else.

[Reporter] Nothing about Ortigoza?

[Montanaro] No, no, no.

[Reporter] Is the government studying the situation?

[Montanaro] Exactly. Next week there might be some decision about the asylum requests. One of these requests is not appropriate. The case of Mr Saguier is altogether inapropriate, because he has court charges pending, and the court has granted him temporary freedom. Consequently, he has charges pending, and a police record. A person in this situation cannot be extradited [as heard]. His case in court comes before any asylum request.

[Reporter] Then, will the safe-conduct next week for...

[Montanaro, interrupting] We still do not know what decision will be made, but my personal opinion is that Mr Saguier is not entitled to asylum, because he has charges pending which were filed in September and because he is free on bail. Someone who is being prosecuted cannot be extradited.

[Reporter] Would a safe-conduct for Ortigoza be granted, Mr Minister?

[Montanaro] It all depends on the executive branch decision. Thank you very much.

[Reporter] In your personal opinion, should Mr Ortigoza remain in the country or leave?

[Montanaro] Personally, I believe he should stay in the country. [end recording]

**Gelbard's Remarks on Stroessner, Drugs Rapped**
*PY302147 Asuncion PATRIA in Spanish*
*30 Mar 88 p 7*

[Editorial: "Dr Gelbard's Recklessness"]]

[Text] Although it is not our intention to abandon the Christian conciliatory position that we have decided to uphold during Holy Week to favor an in-depth reflection on our present situation, on what has been done, and on our hopes, we cannot help but center our attention today on an impertinent statement attributed to Mr Robert Gelbard, the deputy assistant secretary of state for South American affairs. We are well aware of Mr Gelbard's ill-disposition toward Paraguay and toward the Paraguayan Government, but we never thought he would stubbornly insist on upholding an erroneous view of the situation in Paraguay.

According to an EFE news agency report published by the local press, during a breakfast meeting with journalists Mr Gelbard said that "the U.S. Government is very concerned about the situation in Paraguay" because General Alfredo Stroessner, the constitutional president of Paraguay, who was victorious in the recent elections, will begin his eighth consecutive term this year. Not happy with this, which is sufficiently impertinent, Mr Gelbard interfered in Paraguay's domestic affairs when he said: "Stroessner is trying to perpetuate himself in power while his health is good." In addition to this biased statement, he said that "Stroessner closed all opposition radios and newspapers, and he has increased repression against unions." Gelbard, of course, did not bother to give any examples. Of course he would have been unable to cite any, aside from the cases concerning the newspaper ABC COLOR, [Radio Nanduti Director Humberto] Rubin, and the Febrerista weekly [EL PUEBLO]. Aside from these the first two have always refused to assume the position of being members of the opposition. In fact, in their many prosperous business dealings they have always done well if not because of government's protection, then at least because of the security and guarantees the government offers to all who want to work and live in peace. As for the Febrerista mouthpiece, it is indeed an official opposition mouthpiece, specifically of the PRF [Febrerista Revolutionary Party], which has abstained from political activities and promoted the blank vote. But in this case, and in the two other cases, EL PUEBLO was not engaged in opposition activities, but rather in dangerous provocations and instigations and even in arbitrary harassment, which sought to embue society with subversive ideas. It was against the establishment of dialogue, democratic criticism, or active participation in multiparty activities; and it incited division, clashes, and the trampling of the honor and reputation of people under the pretext of exercising freedom of the press and freedom of expression. But this concept of press freedom is not in keeping with the Paraguayan Constitution, the American Declaration [not further identified]; the Human Rights Declaration, the international pact, or the San Jose Convention [not further identified], all of which deal with these rights and properly establish them in all civilized societies. The only thing left for Mr Gelbard to do is to reproach Paraguay for the enforcement of the national security doctrine, at the very time the United States has been taken to court for ordering the PLO to cease operating in the United States, and even in the United Nations.

The deputy assistant secretary for South American affairs did not take into consideration that President Reagan has offered all types of assistance to Dominican President Joaquin Balaguer and has officially received him even though he has been elected president five times. Mr Gelbard did not take into consideration that the Star-Spangled Banner honored the funeral of former Finnish President Kekkonen, who for 28 years served successive presidential terms and whose death was sadly mourned by the Finnish people.

President Stroessner is about to begin another 5-year presidential term not because he wants to remain perpetually in the power, but because the Paraguayan people want him to continue directing the destiny of the fatherland. The people trust him because he has made them believe in the government. This credibility is the most important basis for orderly development and for harmonious coexistence within the framework of the law.

Mr Gelbard cannot overlook or minimize the fact that during President Stroessner's administration, a multiparty system and democratic coexistence have been consolidated. In addition to the Colorado Party, the Liberal Party (PL), the Febrerista Revolutionary Party (PRF), and the Radical Liberal Party (PLR) were legalized. With their participation, the National Constituent Convention prepared a legitimate Constitution for the country, which for 28 years has been governed with a political charter implemented by a decree.

The PRF has abstained from participating in the elections, but since it is such a small party, its role in the nation's politics is not important. All other parties, however, are participating in national politics, although some of their factions support abstentionism. It must be recalled that the leaders of these factions have not only participated in President Stroessner's government, but also, as in the case of the most famous ones, represented their parties in Congress. Just to mention the names most familiar to Mr Gelbard, we must remember that Domingo Laino and Carmen de Lara Castro (despite what is being said by human rights commissions) served in the Chamber of Deputies for two terms.

Mr Gelbard has also made a reckless criticism that contradicts his role as a diplomat and raises suspicion regarding the honesty of his intentions. Commenting on the reopening of the agency against drug trafficking, which existed previously and was closed down following a unilateral U.S. decision, Gelbard said: "The certification (we believe he is referring to the officialization) allows us to have representatives of the Drug Enforcement Administration (DEA) in the country (Paraguay), for the first time in 7 years (just as we said), to fight against drug trafficking and to detain a few drug traffickers." So far, there is nothing to point out, except the unfriendly tone of the words; further on, however, comes the unbearable remark: "If we had not certified it, the agents would probably have been expelled." We refrain from judging the propriety of this insane and exaggerated offense, which can only evince obscure hatred against Paraguay and its officials. These officials are always cooperative, but the United States never offers them any help to improve, reinforce, or technically improve their means to comply with their noble goal, which is not only in the international interest but also in the special interest of the United States, the world's greatest drug-consuming market. The United States imports drugs not only from Latin America but also from Europe, Asia, and even Africa. It has a profitable and ever-increasing local production which, in the case of marijuana, is so big that it is being compared to corn production.

Mr Gelbard has gone entirely astray. However, as we believe that he is Christian, although not Catholic, we fraternally hope he meditates during the Holy Week holidays, and that by Easter his thoughts are better and more just so as to honestly recognize that Paraguay is not a "star" in the drug-trafficking drama and that our country deserves very firm support to carry out its duty with more modern and effective means. After all, it was Mr Gelbard, himself, who publicly admitted that U.S. assistance to Paraguay is "an insignificant $120,000." One even feels embarrassed to comment on it.

## Peru

### President Planning Changes in Banking Law

*PA302158 Lima Television Peruana in Spanish 1800 GMT 30 Mar 88*

[Report by Patricia Von from the Presidential Palace]

[Text] Today the president held a lengthy meeting with the president of the committee in charge of supervising operations at the Wiese Bank, Ltd. There was no official report on the topics discussed during the meeting.

Nevertheless, President Garcia later met with Dr Hugo Garcia Salvateche, superintendent of banks and insurance companies. Following the meeting, the superintendent reported the president is planning to issue two important legislative decrees.

The first decree will modify the nation's banking law, which dates back to 1931 and is extremely obsolete under the current situation. Another legislative decree will be issued to modify the national insurance law.

The two legal documents must be promulgated before 12 April, when the legislative branch's authorization allowing the executive branch to enact banking laws will expire.

## Uruguay

### New Chief of Army General Staff Appointed

*PY310248 Montevideo LA HORA in Spanish 24 Mar 88 p 2*

[Text] General Juan C. Curutchet has been appointed chief of the Army General Staff by acting President Enrique Tarigo and National Defense Minister Lieutenant General Hugo Medina.

On 22 March, Curutchet was promoted to the rank of general. He was assigned his new position a few hours later.

General Jose M. Rivero was appointed commander of the 2d Army Division based in San Jose.

The national defense minister also reported the presence of two Uruguayan officers along the Honduran-Nicaraguan border. Minister Medina explained that his ministry received a communique from the United Nations reporting that these two officers will act as UN observers in the region.